
**ANNUAL
REPORT
2017**

**HAPPINESS INSPIRES
THE LIFESTYLES
WE CREATE**





ONLY EXCELLENCE
IS GOOD ENOUGH

**DEAR
SHAREHOLDER,**

The Board of Directors of BlueLife Limited is pleased to present its Annual Report for the year ended December 31, 2017. This report was approved by the Board of Directors on March 30, 2018.

On behalf of the Board of Directors of BlueLife Limited, we would like to invite you to go through the Annual Report and to attend the Annual Meeting of the Company which will be held on:

Date: Friday, June 22, 2018
Time: 15 hours 00
Venue: Crépuscule
Radisson Blu Azuri Resort & Spa
Azuri Village, Haute Rive
Rivière Du Rempart

We look forward to seeing you.

Yours sincerely,

Sunil Banymandhub
Chairman

Christine Marot
Chief Executive Officer

TABLE OF CONTENTS

06	GROUP STRUCTURE	40	RISK MANAGEMENT	81	STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
08	FINANCIAL INDICATORS	48	STATEMENT OF DIRECTORS' RESPONSIBILITIES	82	STATEMENTS OF CHANGES IN EQUITY
14	BOARD OF DIRECTORS	49	CORPORATE GOVERNANCE REPORT	83	STATEMENTS OF CASH FLOWS
20	CHAIRMAN'S MESSAGE	68	STATEMENT OF COMPLIANCE	84	NOTES TO THE FINANCIAL STATEMENTS
23	CEO'S REPORT	69	COMPANY'S SECRETARY CERTIFICATE	137	SHAREHOLDER'S CORNER
26	MANAGEMENT PROFILE	70	STATUTORY DISCLOSURES	138	NOTICE OF ANNUAL MEETING
28	ORGANISATIONAL CHART AND STATEMENT OF ACCOUNTABILITY	74	INDEPENDENT AUDITOR'S REPORT	139	PROXY FORM
30	OUR BUSINESS	80	STATEMENTS OF FINANCIAL POSITION		
32	OPERATIONS				
36	HUMAN CAPITAL				



WE INTERACT WITH **INTEGRITY & RESPECT**

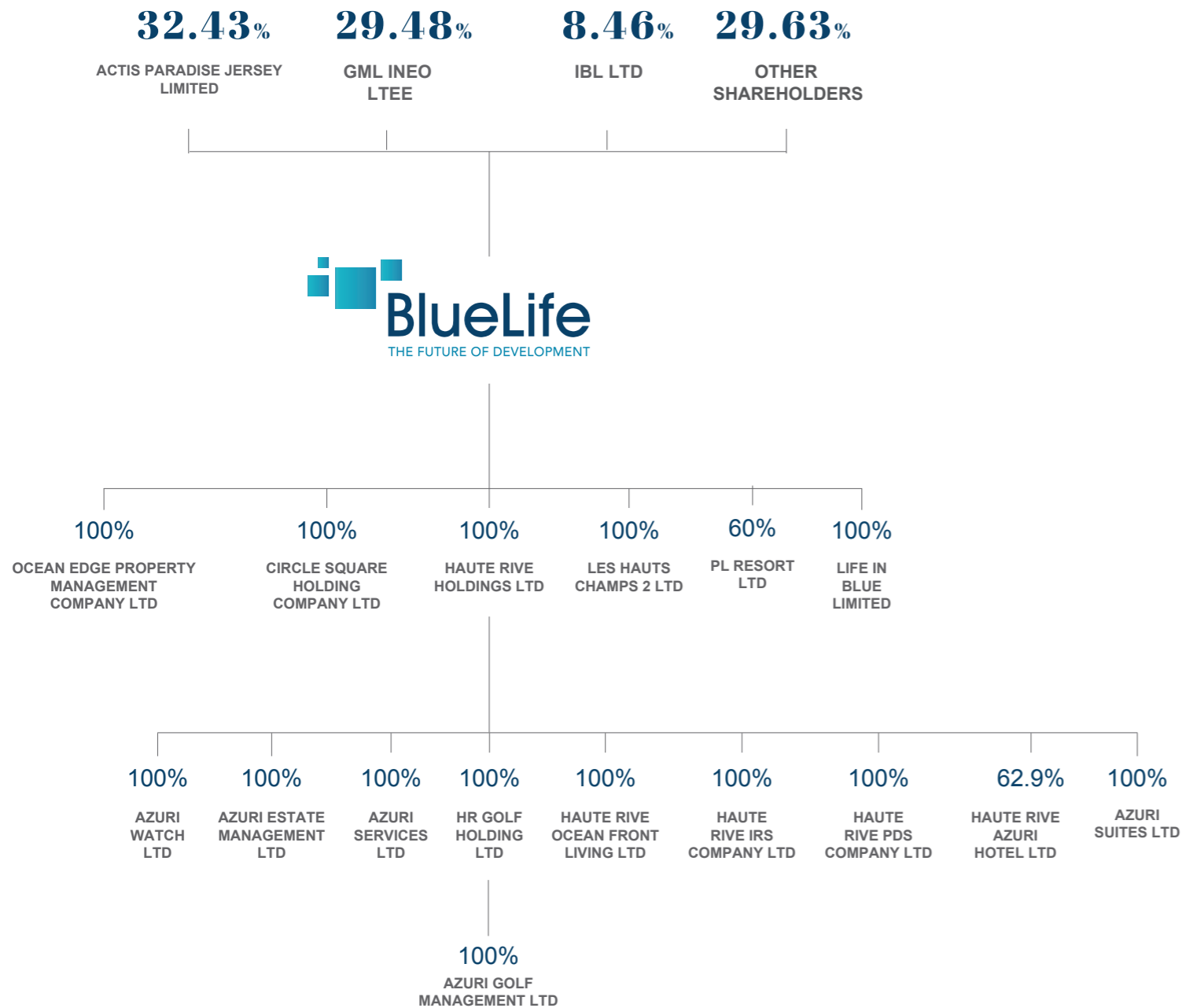
What we achieve at BlueLife is guided by how we all put our purpose and core values, *Integrity* and *Respect*, at the heart of everything we do—every day, in every action, in our dealing with each other and with the community. We take pride in committing to

the highest moral standards and remaining accountable to all our stakeholders through unquestionable honesty and openness. We view differences of opinion as opportunities to grow and respect the contributions of each employee.



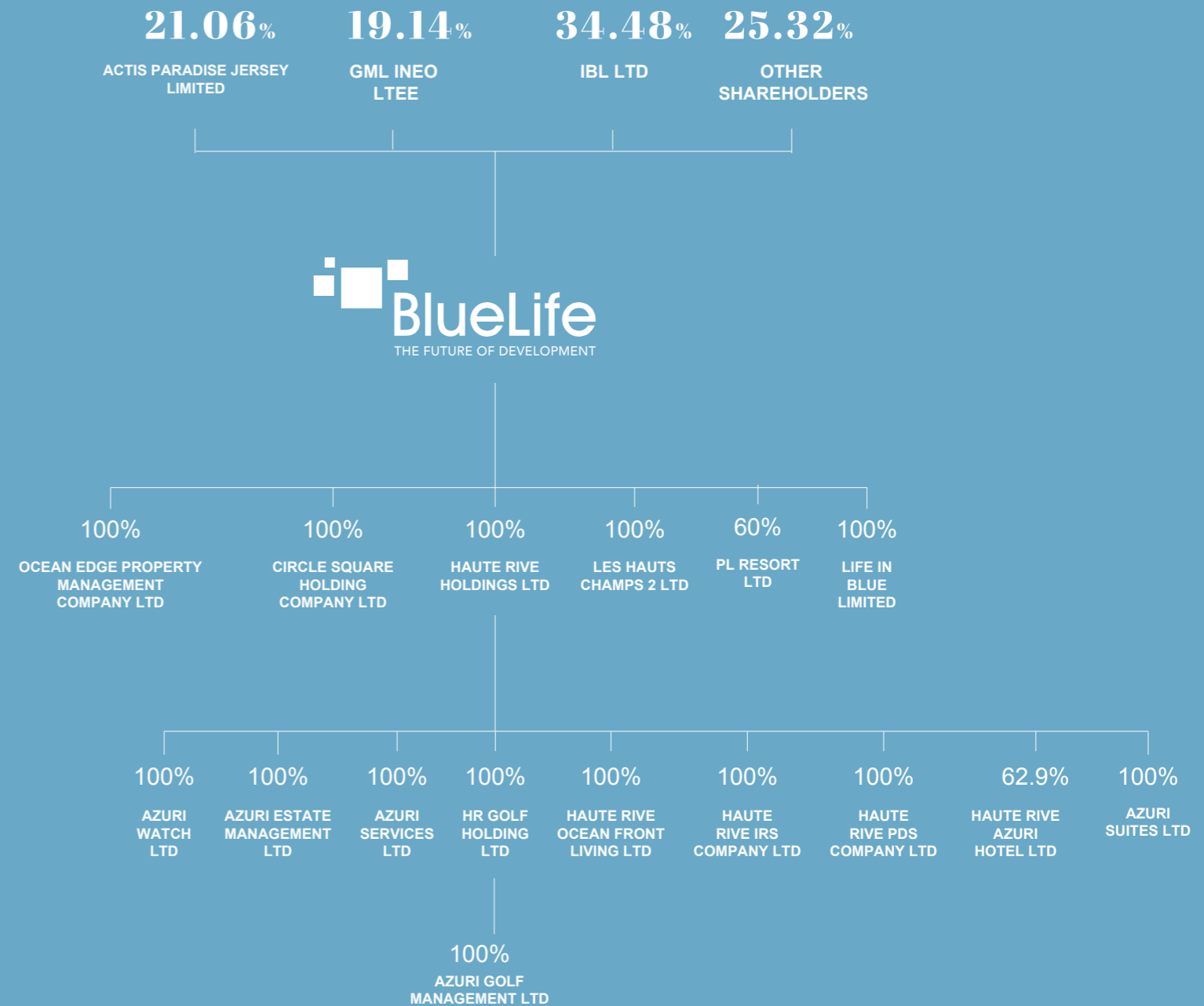
GROUP STRUCTURE

PRE RIGHTS ISSUE



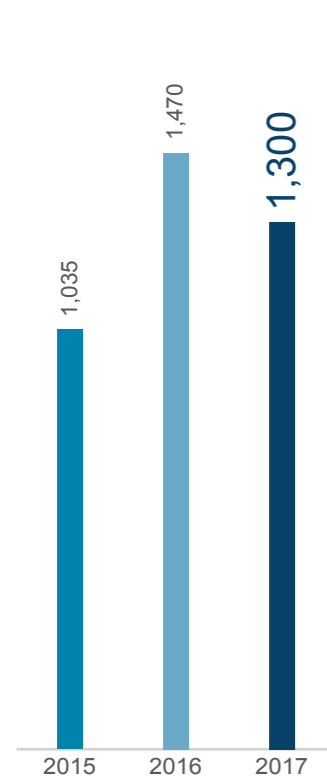
GROUP STRUCTURE

POST RIGHTS ISSUE

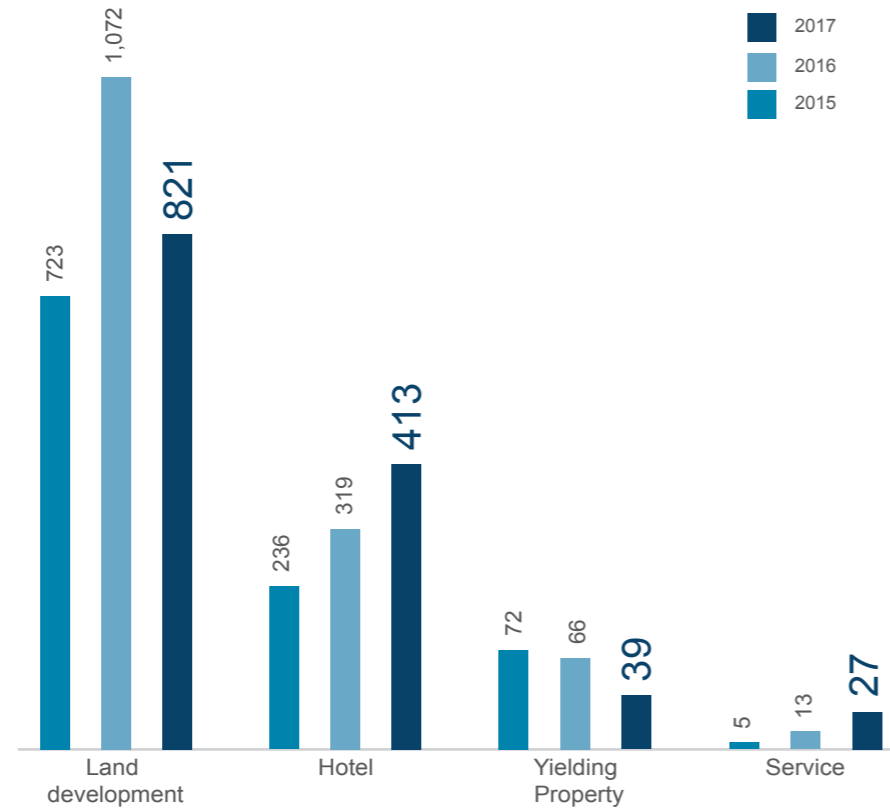


FINANCIAL INDICATORS

TURNOVER (Rs'M)



TURNOVER PER ASSETS SEGMENT (Rs'M)

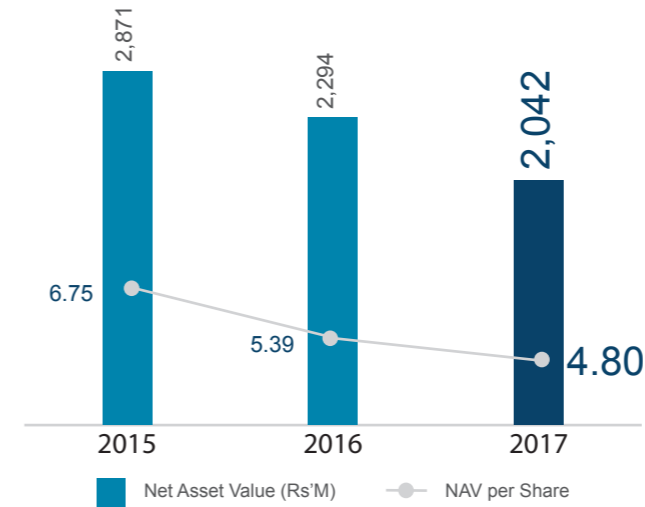


Turnover decreased from MUR 1.47 billion to MUR 1.30 billion essentially because of the cyclical nature of property development as projects move from conception to sale, construction and delivery. Revenue from residential units is only recognised whenever built inventory is sold, or when pre sold units progress through the construction phases. Low inventory and reduced projects being executed led to a drop of MUR 251 million in revenue in 2017 as compared to the previous year.

Our hospitality segment continues to improve with an increased turnover leading to a significant increase in operating profits. The increase in gross operating profits led to a reduction of net losses, ahead of initial expectations.

The operations in the Yielding Property segment are becoming marginal as a result of our strategy to sell assets to reduce the Group indebtedness and to focus on property development. In 2017 we sold the Riverside Shopping Centre and we should soon complete the sale of 100% of Circle Square Holding Company Ltd.

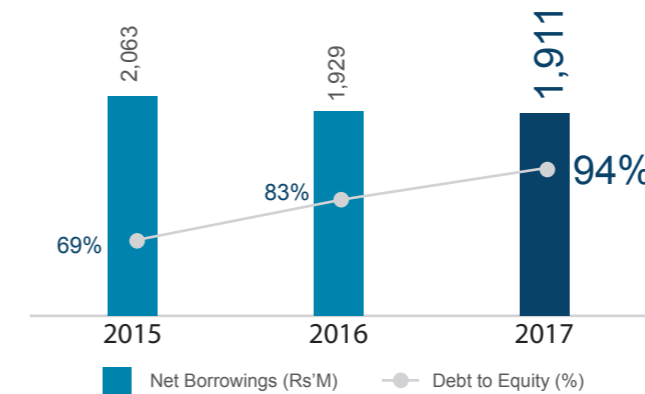
NET ASSET VALUE (Rs'M)



The Net Asset Value decreased by MUR 252m through the combined effect of operating losses, fair value losses as well as impairment recognised during the year.

MUR
4.80
NET ASSET VALUE PER SHARE
(MUR 5.39 IN 2016)

NET BORROWINGS AND DEBT-TO-EQUITY (Rs'M)



Our net borrowings were only reduced by MUR 18m during the year. Although long term loans, in relation to the assets which were sold, were fully repaid, the high level of debt has kept pressure on our cash flow and led to additional short term funding.

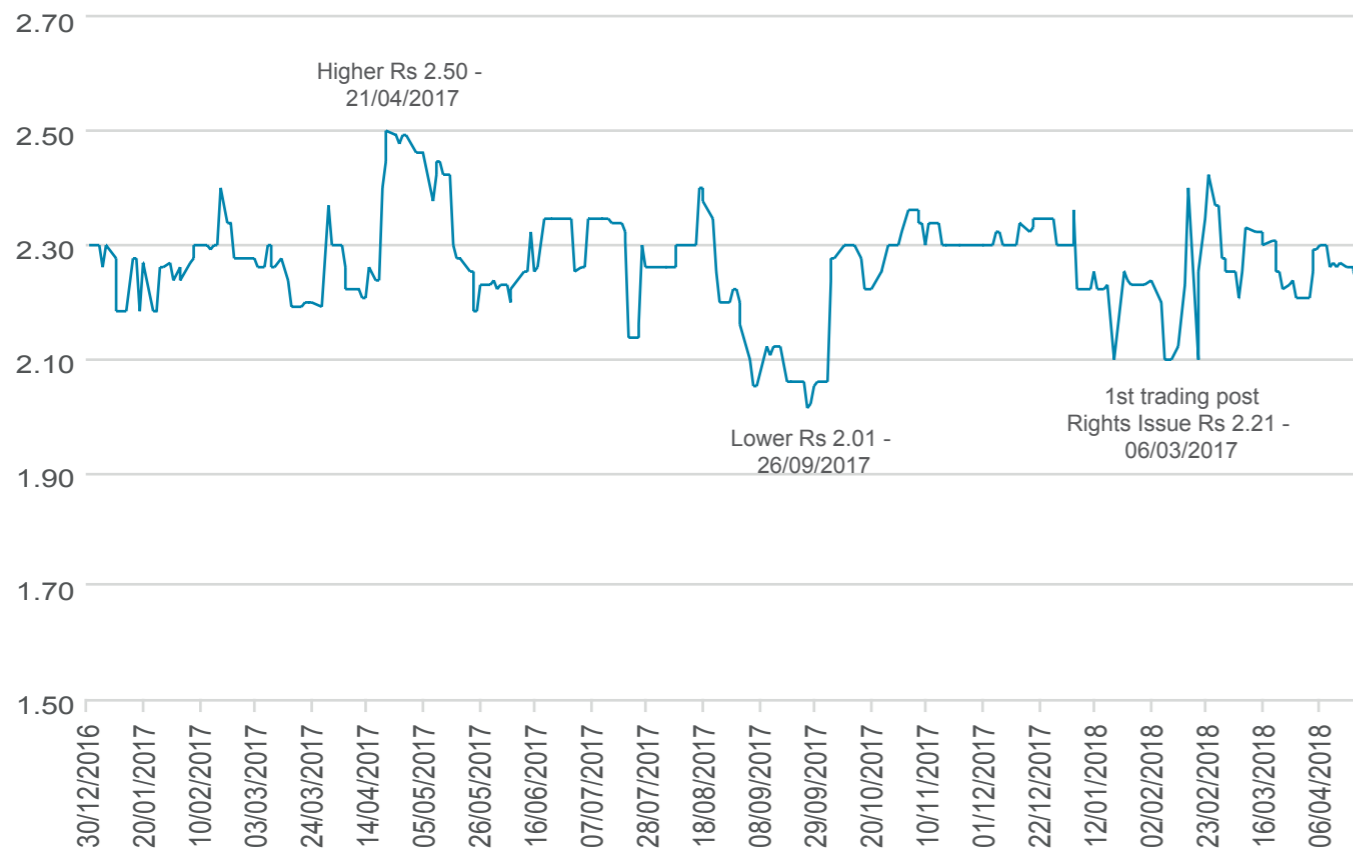
We have paid interest of MUR 162m to our debt providers (MUR 168m in 2016) on continued activities.

In 2017 we announced that in addition to the renegotiation of our bank facilities, the Board of Directors agreed to proceed with a Rights Issue of MUR 450m, underwritten by IBL Ltd for MUR 400m

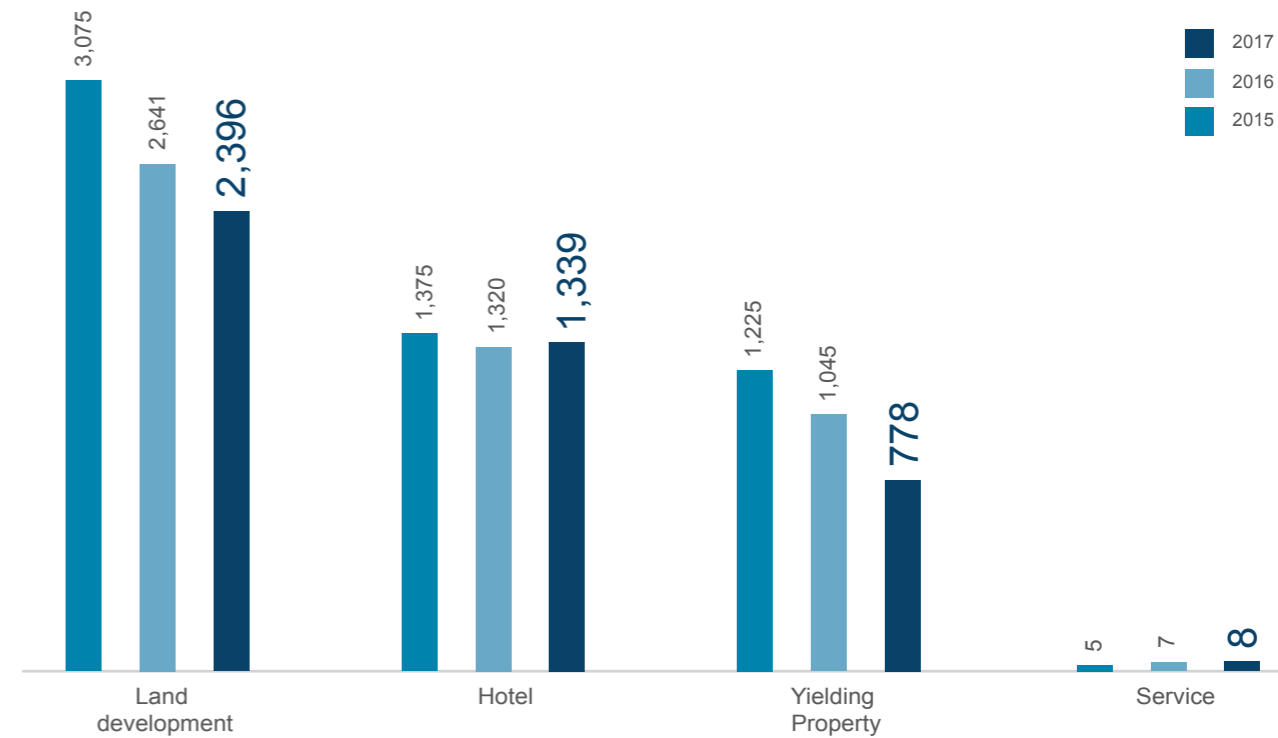
64%
DEBT TO EQUITY RATIO
POST RIGHTS ISSUE

FINANCIAL INDICATORS

STOCK CHART BETWEEN 30/12/2016 TO 20/04/2018



ASSET UNDER MANGEMENT (Rs'M)



MUR
450_M
RIGHTS ISSUE

The strategy has been to significantly reduce the Group debt with the proceeds of the Rights Issue and through the sale of assets earmarked. The Rights Issue has been successfully completed in the first quarter of 2018 for MUR 450,015,572 received from the shareholders and the Underwriter. There have been ongoing efforts to sell the earmarked assets. The sale of the 4th Floor of Harbour Front at the beginning of 2018, added to the Rights Issue, allowed a reduction of the Group's net borrowings of MUR 348m, and Debt to Equity is standing at 64%

BlueLife's total asset value decreased from MUR 5.01 billion to MUR 4.52 billion during the year. This drop is attributable to the cumulative effect of the sale of assets in 2017, the reduction in inventory value, and land development cost on completion of residential development which is posted to the Group's Income Statement. Furthermore there were also fair value losses and impairment adjustments on both investment properties and assets held for sale.

The land development segment continues to carry a work-in-progress value in relation to our project under construction, initial expenditure in relation to the recently launched projects and the value of the 403 arpents of freehold land available for future development.

MUR
4.5 Bn
TOTAL ASSETS UNDER MANAGEMENT

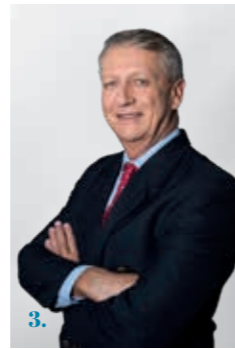
WE EMBRACE CHALLENGE & **NEVER GIVE UP**

The ability to do more than simply cope, but rather flourish in uncertain times, is the most crucial skill of our time. At BlueLife, challenge and change are fundamental to who we are, and how we handle change is a mark of our spirit. We don't dwell on our mistakes. Rather, we keep our eyes

on the goal, believe in our greatness and bounce back stronger. It demands agility, speed, perseverance, and farsightedness. It is the strength to rise up to challenges, understand the bigger picture and stretch horizons. It isn't for the faint of heart. It is what we call Resilience.



BOARD OF DIRECTORS



1
KISHORE SUNIL
BANYMANDHUB
Chairman and Non-Executive Director

2
CHRISTOPHE
BARGE
Independent Non-Executive Director

3
JAN
BOULLE
Non-Executive Director

4
MICHELE ANNE
ESPITALIER NOEL
Chief Finance Officer and Executive Director

5
RAVI PRAKASH
HARDIN
Non-Executive Director

6
ARNAUD
LAGESSE
Non-Executive Director

7
BENOIT
LAGESSE
Non-Executive Director

8
CHRISTINE
MAROT
Chief Executive Officer and Executive Director

9
KEVINDRA
TEEROOVENGADUM
Non-Executive Director

10
ISABELLE
DE WAVRECHIN
Independent Non-Executive Director

11
JEAN-LUC
WILAIN
Non-Executive Director

BOARD OF DIRECTORS

1

KISHORE SUNIL BANYMANDHUB

Chairman and Non-Executive Director

Citizen and resident of Mauritius

Kishore Sunil Banymandhub was appointed as Chairman of BlueLife Limited on 6 October 2017. He was born in August 1949, graduated from UMIST (UK) with a B.Sc. Honours First Class in Civil Engineering, and completed his Master's Degree in Business Studies at London Business School in 1977. He is also an Associate of the Institute of Chartered Accountants of England and Wales. He has occupied senior positions in the private sector in Mauritius, and in 1990 he launched a transport company which he controls. Between 2001 and 2008, he was CEO of the Cim Group, which was engaged in financial and international services.

He currently acts as independent Director of a number of domestic and offshore entities. He is Head of Mauritius Operations for Actis, a leading emerging markets Private Equity fund manager. He was, until recently, the Non-Executive Chairman of Omnicane Ltd. He is a Director and Chairman of the Audit Committee of MCB Group Ltd, which owns the largest bank in the country. He is also a Director and Member of the Corporate Governance Committee of New Mauritius Hotels, the largest hotel group on the island.

He is a Director of Fincorp Investments Ltd, a listed entity. He is Chairman of the Risk and Audit Committee of the Select Group, part of the African Alliance Group, engaged in micro finance and investment banking in Africa. He has been Chairman of two parastatal bodies, a member of various private sector institutions, including President of the Mauritius Employers Federation in 1987. He was Member of the Presidential Commission on Judicial Reform (1996), headed by Lord Mackay of Clashfern, previously UK Lord Chancellor.

2

CHRISTOPHE BARGE

Independent Non-Executive Director

Non-citizen and non-resident of Mauritius

An expert in new information technologies, Christophe Barge is the CEO of a Smart City Group, a company specialized in Smart Cities. He is a graduate of Sciences Po, Aix en Provence and holds a Master of Information Systems from Paris 8. Christophe Barge worked for 20 years in public affairs, for a Government ministry and for private companies. Christophe Barge is an expert in the field of smart cities and digital business transformation.

He accompanies many cities in France on these aspects and collaborates with Fnac, the Caisse des Dépôts et Consignations and Roland Berger strategy firm on these issues. He is the author of several books on these subjects, including Smart Cities for Dummies, published in March 2017.

3

JAN BOULLE

Non-Executive Director

Citizen and resident of Mauritius

Jan Boullé is an « Ingénieur Statisticien Economiste », France and holds a « Diplôme de 3ème Cycle de Sciences Economiques », Université Laval, Canada. He has been working for the Constance Group from 1984 to 2016 and occupied various executive positions and directorships. His latest position being Group Head of Projects and Development. He has been appointed as the Non-Executive Chairman of IBL Ltd on the 1st July 2016 and is also a member of the Board of Directors of several major companies of IBL Group.

4

MICHELE ANNE ESPITALIER NOEL

Chief Finance Officer and Executive Director

Citizen and resident of Mauritius

Michele Anne is currently the Chief Finance Officer of BlueLife Limited. She joined IOREC in January 2010 as Corporate Finance Executive to provide financial direction to the company, including corporate finance, planning and administration and became CFO upon the amalgamation of IOREC with BlueLife. She is a graduate from Ecole Supérieure de Commerce (E.S.C.A.E) of Clermont Ferrand, France with a specialization in Audit, Accounting and Finance Management and passed the Mauritius Stockbrokers Examination organised by the Stock Exchange Commission (now the Financial Services Commission) and the Mauritius Examination Syndicate. She completed the One-Year ESSEC General Management Program designed for GML Executives.

5

RAVI PRAKASH HARDIN

Non-Executive Director

Citizen and resident of Mauritius

Robin Hardin is the Chief Executive Officer of Bloomage Ltd, a property fund fully owned by IBL Ltd. He has more than 15 years' experience at senior level both in Mauritius and Africa, working for Shell, Rogers and ENL, and has spent the last 10 years focusing on the property industry. He holds a B-Tech in Chemical Engineering from the Indian Institute of Technology and an MBA from the University of Surrey. He has also attended Professional Development programmes from London Business School and Wits Business School and a Property Development Programme from the Graduate Business School, University of Cape Town.

6

ARNAUD LAGESSE

Non-Executive Director

Citizen and resident of Mauritius

Arnaud Lagesse was appointed Non-Executive Director on December 31, 2013. He holds a 'Maitrise de Gestion' from the University of Aix-Marseille III, France and is a graduate of the 'Institut Supérieur de Gestion', in France. He also completed an Executive Education Program at INSEAD, Fontainebleau, France, and an Advanced Management Program (AMP180) at Harvard Business School, Boston, USA.

He joined GML in 1993 as Finance and Administrative Director before becoming its Chief Executive Officer in August 2005. On July 01, 2016, after the amalgamation of GML Investissement Ltée and its main subsidiary company, Ireland Blyth Ltd, he was appointed as Group CEO of the newly formed entity now known as IBL Ltd. Mr Lagesse participated in the first National Corporate Governance Committee as a member of the Board in 2004 and was recently appointed Chairman of the new committee, set up with the aim of updating the Code after ten years of existence.

Arnaud Lagesse is also a member of the National Integrity Advisory Committee and an ex-president of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund. Mr. Lagesse is a member of the Board of Directors of several of the country's major companies, Lux Island Resorts Ltd, inter alia. He is also the Chairman of Fondation Joseph Lagesse since July 2012.

EXCELLENCE
is the result of
always striving to
do better.

BOARD OF DIRECTORS

7

BENOIT LAGESSE

Non-Executive Director

Citizen and resident of Mauritius

Born 1959, holds a Bachelor of Science degree from Manchester University, England and is a member of the Institute of Chartered Accountants in England and Wales. He started his career with Canadian Pacific in London, England before moving to Zimbabwe in 1987 to manage his family farming business. Benoit Lagesse is a Director of IBL and Compagnie Sucrière de Saint Antoine Ltd. He is president of the Zimbabwe Cane Farmers Association, GML Ineo Ltd and Mon Loisir Ltd and sits on the Audit and Governance committees' of the latter two companies.

8

CHRISTINE MAROT

Chief Executive Officer and Executive Director

Citizen and resident of Mauritius

Christine Marot, born in 1969 and an accountant by profession, joined BlueLife Limited in May 2015. She started her career with De Chazal Du Mée & Co, Chartered Accountants in Mauritius before joining IBL (formerly GML). She acquired vast experience working at IBL Management Ltée, where she acted as Finance Executive – Corporate and Accounting, up to April 2015. She has been a member of the Board of Directors as well as Committees of the Board of several quoted as well as unquoted companies, involved in the financial services industry, human capital management, telecommunication and property management. Christine Marot is still a member of the governing committees of IBL Pension Fund.

9

KEVINDRA TEEROOVENGADUM

Independent Non-Executive Director

Citizen and Resident of Mauritius

Kevin has spent his career working in partnership with African companies to help in their country's development plans. After obtaining his BSc in Economics, an MBA and a MSc in Finance from Leicester, England, he moved back to Mauritius and worked for KPMG, Deloitte and EY in corporate finance and business consultancy before the pan-African advisory and investment banking boutique, Loita Capital Partners Group in Johannesburg, where he assisted clients with fundraising activities in numerous African countries and covered multiple sectors including banking, telecoms, commodities and logistics.

In 2007, Kevin joined the Pan Emerging Market Private Equity Firm Actis as a director and was part of the 1st African Real Estate Fund for Sub-Saharan Africa focused in investing equity in new developments across a number of African jurisdictions. Mid-2013, Kevin left Actis to become the founder Chief Executive Officer of African Land Investments focused on buying out properties from Private Equity firms and developers in key markets in Sub-Saharan Africa. In September 2014, African Land Investments was merged with Atterbury Africa, and rebranded AttAfrica. It is the biggest shopping centre property fund in Sub-Saharan Africa excluding South Africa. He was the CEO of AttAfrica till December 2016. He sits on various boards of companies in Mauritius and Africa and is a frequent speaker at international conferences.

10

ISABELLE DE GAALON DECAILLOT

(ISABELLE DE WAVRECHIN)

Independent Non-Executive Director

Non-citizen and non-resident of Mauritius

Member of the Executive Committee of the Group Pierre & Vacances Center Parcs (PVCP) since 1996, Isabelle de Wavrechin has been CEO of Pierre & Vacances Real Estate Investment for 18 years. Since 2014 she is Chairman and CEO of Worldwide Invest Management (W2-IM), based in London. Building on this expertise, Isabelle de Wavrechin has a strong knowledge of European and Asian markets with solid existing networks for unit or block sales by private or institutional buyers.

Her experience in the analysis of real estate projects, in the definition of products and the marketing and commercial strategy is a key point. Her professional strategy revolves around the optimization of financial results and a certain talent to coordinate internal and international teams including on a large scale. She has received the French Legion of Honour.

11

JEAN-LUC WILAIN

Non-Executive Director

Non-Citizen and Resident of Mauritius

Jean-Luc Wilain graduated from Ecole Nationale Supérieure des Mines (ICM) and obtained a diploma in Advanced Management Program (AMP). Before joining Ireland Blyth Limited in May 2011, he worked as a consultant or executive in several countries and in various fields, including re-engineering, IT, Sales and marketing as well as manufacturing. He was then General Manager in Czech Republic. Jean-Luc Wilain works on developing the Group's strategies and integration projects. He is also responsible for Sustainable development, Central Purchasing, Trademarks and Consulates. Jean-Luc is the Head of Business Development – Strategic Initiatives and Integration of IBL Ltd.

CHAIRMAN'S MESSAGE

**WE HAVE SUFFICIENT
UNBUILT LAND AREA TO
ADD ON CONSIDERABLY
TO WHAT HAS BEEN
ACHIEVED ALREADY,
AND DESIGN A WHOLE
NEW EXPERIENCE,
WHERE THE VALUES
OF LIVE, WORK, PLAY
ALL FIND THEIR PLACE
WITHIN A HARMONIOUS
ENSEMBLE.**

**KISHORE SUNIL
BANYMANDHUB
CHAIRMAN**



DEAR STAKEHOLDERS

I have the privilege to address this first message to you as Chairman of BlueLife Ltd. Mr. Arnaud Lagesse steered the Company through many difficult years, overcame a number of serious challenges, initiated a major capital restructuring, and recently passed on to me the mantle of Chairman of a Company which is now better equipped to face the years ahead.

A MARKET IN TRANSITION

It is often said that there is nothing certain in life except change, and the world property market is no exception. Besides countries which we have routinely accepted as our traditional markets, there are now emerging economies with a moneyed and leisured class, and the purchasing power to dream of second or third homes in distant climes. This poses a first challenge, as cultural considerations will increasingly influence the type of product on offer, to satisfy new and different tastes and aspirations.

The profile of buyers is also evolving, towards a more techno-savvy clientele, more conscious of the need for sustainable development, and more desirous in acquiring a lifestyle than a mere residence with walls and windows, however well designed. For these generally younger buyers, connectivity, green construction, and a living habitat where environmental protection is given its rightful importance, have become standard features rather than optional extras. They have a good point. We do not own the land on which we live. Rather, we are the custodians for a lifetime, having inherited the land from past generations, and with a duty to pass it on as our legacy to future generations, improved and enhanced.

A NEW VISION FOR AZURI

Whilst the market is expanding worldwide, so is the supply of residential options, not only in Mauritius but in other international destinations, all competing for a slice of the cake.

To address this trend, we are embarking, with the help of top-level professionals, on a major review of our long term Master Plan. We have sufficient unbuilt land area to add on considerably to what has been achieved already, and design a whole new experience, where the values of Live, Work, Play all find their place within a harmonious ensemble. We are driven by the fact that whilst most promoters are selling residences, we aim to offer the dream of a new life experience.

This will not be achievable without close collaboration with the public sector. We are therefore in constant touch with the Authorities, and we trust that our long term plans, which will add considerable value to this destination, will continue to enjoy the blessings of Government.

35%
OF SHARES OWNED BY IBL

Rome wasn't built in a day. This dream will not be achieved until the medium to long term, but I hope to share with you by the end of the year what our vision will be.

FINANCIAL AND BOARD STRUCTURING

Closer to home, the Chief Executive will address in her report the main events of the past year, and look ahead to what we hope to achieve in 2018.

I will dwell a bit more on the financial structuring, and the changes at Board level. It is no secret that the Company has been heavily indebted in the past, largely owing to the heavy losses of our hospitality cluster, which had to be financed using bank borrowings. The Company went into a debt spiral. The decision was taken to inject funds through a Rights Issue, underwritten by IBL, who have now become the largest single shareholder, with nearly 35% of the shares.

However, this change goes way beyond a mere injection of capital and the assumption of control. Through continuous interaction with IBL, the Company will now start to live fully the same values, beliefs, and practices. Besides adherence to the tenets of the Code of Corporate Governance, there is a constant pursuit of excellence with regular contact, through the IBL Group, with seasoned professionals from overseas, who come to share international best practices. This is vital if we are to meet the expectations of a demanding international clientele.

CHAIRMAN'S MESSAGE

The Rights Issue also led to a review of the composition of the Board to reflect the new shareholding structure, with the addition of a second high-profile Independent Non-Executive Director from overseas. The number of Committees of the Board has been increased beyond the strict requirements of the Code of Corporate Governance, with the setting up of a Property Development Committee, and a Digitalisation and Sustainability Committee. Both include seasoned professionals in these respective sectors, and have the mission to tender appropriate advice to the Board, after a thorough examination of the relevant projects. The former has the mandate to drill deep into our property development plans in all their aspects. The latter has the mission to assist management in implementing best practice in these two key areas within the Company.

Concurrently with the Rights Issue, we had earmarked certain assets for sale to generate cash and reduce debt, especially assets which had a negative or negligible contribution to our profitability. This selective disposal has been partly achieved. We expect to complete the process in 2018, after which the Company will benefit from a considerably strengthened balance sheet, which will enhance our capacity to take on more ambitious projects.

Human Capital remains a cornerstone without which no plan, however perfect, can be achieved. We have taken large steps to streamline our staffing, which have led to substantial savings compared with 3-4 years ago. However, the new Master Plan will require appropriate Human Resources skills for design and implementation. We are therefore reviewing our organisation structure with a view to recruiting the appropriate skills at all the relevant levels.

The completion of the financial structuring has thus launched the Company on a new journey, during which it will aim to be a value contributor to our clients, our personnel, all our stakeholders, and to the country in general.

**HUMAN CAPITAL
REMAINS A
CORNERSTONE
WITHOUT WHICH NO
PLAN, HOWEVER
PERFECT, CAN BE
ACHIEVED.**

I wish to thank Arnaud Lagesse, who will remain a Director, for his past stewardship of the Company, and I look forward to sharing in his valuable experience and vision as we move forward. I thank my fellow-Directors, including those who have stepped down from the Board following the financial re-structuring, for their valuable support, and for making my task so much easier.

May I close this statement by thanking the Chief Executive Officer, her management team, and all staff of the Company, who have spared no effort, often against the odds, to overcome the challenges of yesterday, so that we can reap the benefits of tomorrow.

Sunil Banymandhub
Chairman

CEO'S REPORT

**THIS YEAR, WE
MAINTAINED OUR
STRATEGIC FOCUS,
PATIENTLY APPLYING
OURSELVES TO MAKING
BREAKTHROUGHS—ALL
OF WHICH TRANSLATED
TO MEASURABLE
GROWTH.**

CHRISTINE MAROT
CEO



DEAR FELLOW PARTNERS,

It gives me great pleasure to present our Executive's Report for the financial year ended 31 December 2017, which demonstrates our commitment to creating value.

I would like to begin this year's message with one word that captures the essence of what we achieved last year, and our mind-set as we move forward: Excellence. As this first quarter comes to a close, I would like to share my thoughts on our progress, our accomplishments and our outlook for the second half of 2018. But first, a quick look back at 2017.

CEO'S REPORT

OUR YEAR IN REVIEW

2016 was a year of profound transition for the global construction sector, and among the toughest in BlueLife's history. The industry continues to face its fair share of challenges, with intense competition coming not only from new projects, but also from the resale of residences delivered since the first IRS Scheme was launched in 2001. Supply is soaring, both locally and internationally, in a way that we continuously need to adjust our offering, and create new differentiating features.

We entered 2017 with strong momentum as we began reaping the benefits of the decisive steps we took. This year, we maintained our strategic focus, patiently applying ourselves to making breakthroughs—all of which translated to measurable growth. Despite the reduction in turnover as compared to the previous year, as a result of the cyclical nature of the land development activities, all the other clusters generated increased revenues. Turnover stood at Rs 1.3 Bn and loss per share was reduced from Rs 1.261 to Rs 0.582.

Our primary focus was on boosting our hospitality cluster—a segment that, as you may recall, faced quite a few challenges last year as in preceding years. I am proud to share that we have seen a marked increase in results this year, having reduced the combined losses from the 2 hotels from Rs 184.0m in the previous year to Rs81.4m representing a 56% reduction. It is the improved guests' experience and the way we connected with them which essentially drove the turnaround in this cluster.

Our efforts to divest from selected assets, driven by a need to reduce gearing, have started paying off, through the sale of the Riverside Shopping Centre and land in Piton, totalling proceeds of MUR 276.6m. By reassessing our real estate portfolio, we have come to view divestment as a growth tool, one which will allow us to reallocate capital to higher-growth areas. We anticipate further sales in the near future as several potential buyers have expressed interest in purchasing our assets.

We also implemented new measures to overhaul our financial infrastructure through debt restructuring, a move that is instrumental in speeding our recovery and enhancing our resilience. Group finance costs dropped marginally in 2017 but the real benefits will be visible as from 2018 with the coupled effect of reduced interest rates and debt levels.

RS
1.3
TURNOVER Bn

REINFORCING OUR CORE VALUES

Now, our mission is to build on this progress and resolute mind-set that has taken hold at BlueLife. In the face of overwhelming odds, companies and leadership sometimes lose sight of their aspirations. Not BlueLife. That's why over the past year, we have challenged ourselves to revisit our core values. We asked ourselves: what is our fundamental reason for existing? Through honest and open dialogue, we crafted a vision that serves as our north star, inspires us to go beyond our responsibilities and articulates the mark we want to make in the world: *Only excellence is good enough*. What does it mean to us? Simply, it is about reaching our full potential and stamping a superior quality upon every project we create.

To help realise this ambition, an adequate mission statement is key. We have always valued people as an immeasurable asset and endeavoured to address our clients' needs in meaningful ways. Our commitment to redefining lifestyles and instilling 'wow' experiences has never wavered; what sets us apart is our aspiration to make personal connections that cannot be measured by numbers. It's really about the timeless quest of being happy, which we have formalised through our new purpose: *Happiness inspires the lifestyles we create*.

A GROWING NEIGHBOURHOOD

IBL's entry as reference shareholder and the establishment of specialised committees have contributed to new dynamics and an unfettered determination that will keep us on our toes as from this year.

With over 380 residences, brought together since inception of Azuri, we set the fundamentals of residential, social and commercial living in one modern, vibrant community. In keeping with our tradition of creating exclusive lifestyles, we rolled out the development of Northern Precinct, which puts a new spin on the idea of 'Green Living'. With this in mind, we designed the Northern Precinct of Azuri, alongside Rivière du Rempart, to value the natural environment in the residential development which includes high-end villas as well as other type of residential components, slated for delivery as from 2020. Our one, two and three-bedroom villas feature modern interiors and state-of-the-art amenities that add to the quality of life; and when combined with all of Azuri Village's facilities, our owners will remain 'experience collectors' who seek a space for Food, Fitness and Fun.

BUILDING A SUSTAINABLE FUTURE

As we move forward into the 21st century, we don't just want to do well, we also want to do good - good for the planet and good for its people. In the construction industry, it is often presented as a choice: be profitable or add value to society. The truth is that infrastructure and the environment are inextricably linked. Our sector, by virtue of its nature, is one of the largest users of energy and resources; it therefore has an underlying responsibility to leave an enduring legacy in the communities within which it operates. It has become vital for us to leave a minimal environmental footprint on our activities, a feat best achieved by consciously weaving sustainability into the lifecycle of our projects. This applies, in particular, to the efficient use of scarce resources, the use of low-impact building materials and reducing construction-site waste. We are studying the implementation of smart metering for water, finding means to integrate the green attitude in our projects and also extending sustainable awareness to the Azuri Village residents, where we promote the importance of reusing and recycling. We are convinced that these actions will eventually drive behavioural change in the communities surrounding Azuri.

PAVING THE WAY FOR DIGITAL INNOVATION

The construction sector is undergoing a technology-led revolution, with profound implications on how companies design, plan and execute projects. And as the age of digital grips us, we have set a compelling vision for BlueLife, one that integrates digital from the ground up.

There is a general understanding that there needs to be greater integration between the various parties in the construction project process. Yet, the pace at which the stakeholders involved in the construction project process will be able to integrate the digital platforms will be determinant for the ability to fully implement technologies such as BIM (Building Information Modelling), a game-changer in construction. Our aim to reach digitalisation of all phases of the project: design, on-site construction, project management, project implementation and client relationship management. By harnessing the talents and insights of all players of the value chain, the process is more collaborative, more efficient, more value-driven.

ACKNOWLEDGMENTS

Property development, at its core, will always be a business of people. At BlueLife, we have the tremendous privilege to improve people's lives, and I am extremely grateful to the men and women in our organisation for their commitment in transforming the communities we touch. Each day, I am heartened by the actions of our team members. Truly, a company is only as great as its people.

I would also like to thank my colleagues on the Board for their invaluable counsel and our partners for their relentless support. Now, with the new roadmap we have laid out, we have additional tools to move into an even greater future. Our best days are ahead of us.

Christine Marot
Chief Executive Officer

MANAGEMENT PROFILE



1. CHRISTINE MAROT Chief Executive Officer and Executive Director

Christine Marot, born in 1969 and an accountant by profession, joined BlueLife Limited in May 2015. She started her career with De Chazal Du Mée & Co, Chartered Accountants in Mauritius before joining IBL (formerly GML). She acquired vast experience working at IBL Management Ltée, where she acted as Finance Executive – Corporate and Accounting, up to April 2015. She has been a member of the Board of Directors as well as Committees of the Board of several quoted as well as unquoted companies, involved in the financial services industry, human capital management, telecommunication and property management. Christine Marot is still a member of the governing committees of IBL Pension Fund.

2. MICHELE ANNE ESPITALIER NOEL Chief Financial Officer and Executive Director

Michele Anne is presently the Chief Finance Officer of BlueLife Limited. She joined IOREC in January 2010 as Corporate Finance Executive to provide direction to the financial function of the company, including corporate finance, planning and administration and became CFO upon amalgamation of IOREC with BlueLife. She is a graduate from Ecole Supérieure de Commerce (E.S.C.A.E) of Clermont Ferrand, France with specialization in audit, accounting

and finance management and passed the Mauritius Stockbrokers Examination organised by the Stock Exchange Commission and the Mauritius Examination Syndicate. She completed the One-Year ESSEC General Management Program designed for GML Executives.

3. HUGUES LAGESSE Head of Projects and Strategic Property Development

Hugues holds a diploma in administration and finance from "Ecole Supérieure de Gestion et Finance" in Paris, France. In September 2007, he followed a course on Management at INSEAD in Fontainebleau, France and a course in Real Estate development in Paris and at Harvard Business School in Boston, USA. He completed the One-Year ESSEC General Management Program designed for GML Executives. He participates in the strategy and planning processes and is responsible for identifying potential development and area for growth. He is also in charge of following up on a project's life cycle from conceptualisation and design through to project management and closure.

4. ISABELLE JACQUES Office and ICT Manager

Isabelle joined BlueLife Limited in July 2015 as Office and ICT Manager. Isabelle studied economics at the University of Cape Town and worked in the

IT sector in South Africa and the UK. In 2002 she moved back to Mauritius where she worked in the insurance sector as an IT / HR / Admin Manager. She is now responsible for BlueLife's IT infrastructure, software and support. She also heads up the Group's HR function and its office management.

5. CHRISTOPHE DE FROBERVILLE Sales Manager

Christophe holds a Bachelor's degree in Management Accounting and Marketing from the University of Western Australia (UWA) in Perth and a Masters in International Business from INSEEC Business School in Paris. He started his career in product management in Paris, working for France's largest online wine retailer. Back in Mauritius, Christophe spent three years in the sales and marketing department of Constance Hotels & Resorts, both at corporate and operational level, between Mauritius and Seychelles. He joined BlueLife Limited in February 2016 as Sales Manager and is now responsible for business development, focusing on lead generation and the optimisation of the group's market intelligence and CRM (customer relationship management) tools.

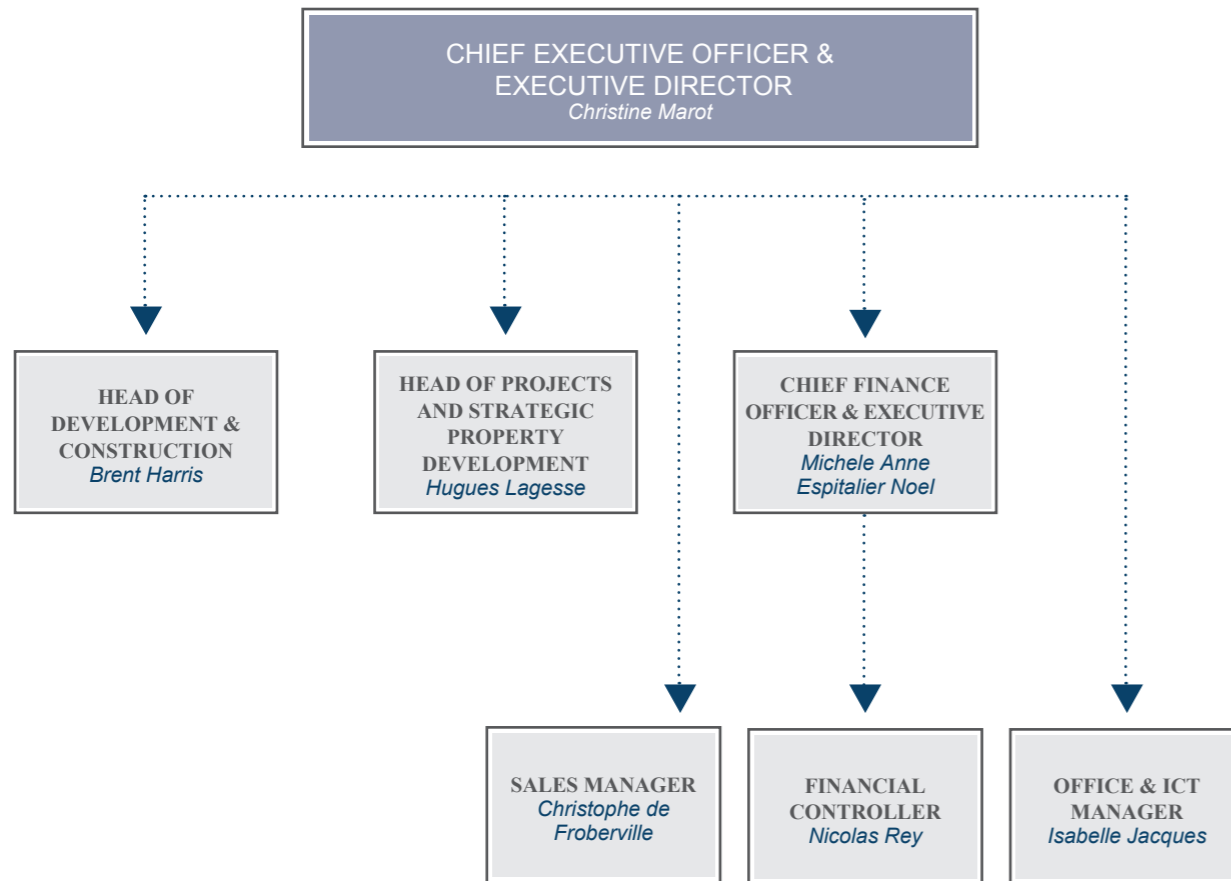
6. NICOLAS REY Financial Controller

Nicolas holds a BCom (double major in accounting and finance) from Curtin University in Australia and qualified with the Association of Chartered Certified Accountants (ACCA) in 2014. He started his career at Ernst & Young in the audit department before moving into the offshore sector in Mauritius. Nicolas joined BlueLife Limited in 2013 as a financial analyst. In this role, he has been involved in the Group's project finance, corporate finance and treasury functions. Nicolas is notably responsible for monitoring the financial performance of various departments and contributing to the Company's overall financial strategy.

BRENT HARRIS Head of Development and Construction

Brent Harris joined BlueLife in September 2015 as Head of Development and Construction. Brent holds a Bachelor of Science Degree in Civil Engineering and a Diploma in Project Management. He has 20 years' experience in the construction, project management and real estate sectors, having delivered various large-scale infrastructure projects and residential developments across numerous African countries as well as in the UK. He is mainly responsible for preparing detailed project strategies as well as master plan development and implementation. He directs as well as coordinates activities related to projects ensuring management of risks up to project delivery.

ORGANISATIONAL CHART AND STATEMENT OF ACCOUNTABILITY



OUR BUSINESS

OBJECTIVES, ACHIEVEMENTS AND PRIORITY INDICATORS

STRATEGIC OBJECTIVES

ACHIEVEMENTS IN 2017

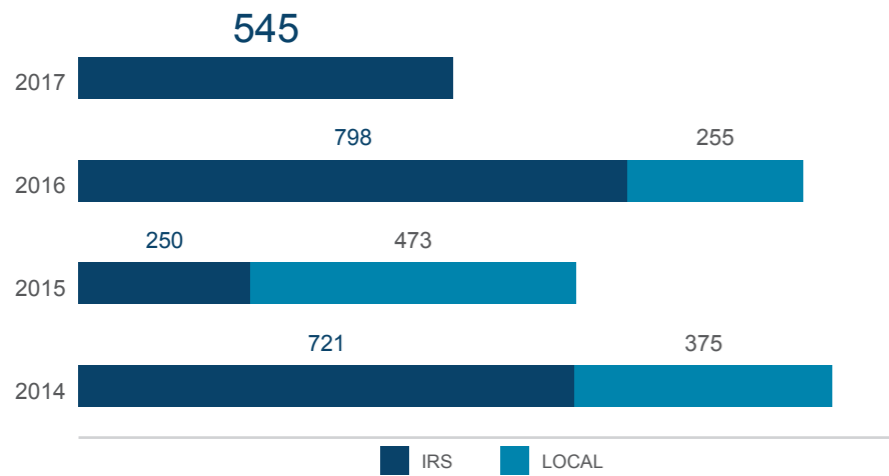
PRIORITIES IN 2018

	STRATEGIC OBJECTIVES	ACHIEVEMENTS IN 2017	PRIORITIES IN 2018
FINANCE	<ul style="list-style-type: none"> Restore profitability in loss-making subsidiaries Maintain conservative loan-to-value ratios and terms of indebtedness within sustainable limits to maintain our ability to seize investment opportunities 	<ul style="list-style-type: none"> Significant improvement in the hospitality segment's operating results Announcement of a Rights Issue of MUR 450 million, successfully completed in February 2018 Debt restructuring with banks to re-align with subsidiaries' cash flow and operating results 	<ul style="list-style-type: none"> Completion of the Rights Issue of MUR 450 million Further reduction in borrowings by the sale of earmarked assets Restore cash flow surplus
PROPERTY DEVELOPMENT	<ul style="list-style-type: none"> Continue to promote AZURI as the grandest lifestyle destination in Mauritius Advance AZURI's Work, Live and Play concept Ensure profitability and sustainability in all our projects 	<ul style="list-style-type: none"> Progress made concerning AZURI masterplan and detailed road map for AZURI 2017 – 2020 although not completed Progress with the sale of Golf villas minimum although sales level on to start construction not achieved to start construction by mid 2018. Launch of the sales of the Ennea Villas Launch of Les Hauts Champs Phase II PDS but delay in achieving minimum sales level to start construction Completion of the handing over of the 114 local residences to their buyers (started late 2016) 	<ul style="list-style-type: none"> Finalise AZURI masterplan in order to implement through review and agreement on the detailed road map to launch phases as established to meet the various markets. Launch of the Azuri Golf and golf view residential development Develop new marketing strategy and tools in respect to digital marketing
YIELDING ASSETS	<ul style="list-style-type: none"> Master our asset portfolio to increase our assets' value and assess maturity profile of assets in view of sales options Adjust the positioning of Circle Square to become a residential, leisure and retail destination 	<ul style="list-style-type: none"> Sale of Riverside Shopping Centre and a land portion in Beau Sejour, Piton Worked on creative alternative options for Circle Square reconversion, parcelisation or outright sale 	<ul style="list-style-type: none"> Complete the sale of the 4th floor of Harbour Front and of 100% of Circle Square Holding Company Ltd Complete refurbishment of the 8th floor of Harbour Front and fill in vacant spaces
HOTELS	<ul style="list-style-type: none"> Return to profitability for the hotel cluster 	<ul style="list-style-type: none"> Developed new experiences and offerings leading to the increase in occupancy and pricing and improved results in Operations Restored profitability in EBITDA 	<ul style="list-style-type: none"> Complete the Property Improvement Plan agreed for Azuri Hotel within budget and delay Negotiate additional increase in rates as a result of the Property Improvement Plan Further improvement of operational profits to achieve net profits
FACILITIES MANAGEMENT & SERVICES	<ul style="list-style-type: none"> Be smart about our service proposals to stakeholders Promote the use of the latest technology and systems for improved efficiency Promote green initiatives at Azuri 	<ul style="list-style-type: none"> Successful implementation of a professional system in Syndic Management with 100% of our property under syndic management operated under new system Re-organisation of various support activities 	<ul style="list-style-type: none"> Implement professional software to assist in Maintenance and Facilities Management with the aim of optimising resources for field interventions and better service to residents. Implement a smart reading system and digital management of our water distribution systems in Azuri Implement a selective refuse collection to promote recycling
HUMAN CAPITAL	<ul style="list-style-type: none"> Recruit, Reward, Retain Talent management Effective Performance Management System (PMS) 	<ul style="list-style-type: none"> Produced a thorough Employee Handbook to inform and guide staff members on BLL's HR policies ethic and values Mission vision statement 	<ul style="list-style-type: none"> Develop PMS which will promote talent management, retention and reward. Recruit new talent to assist the future of development
RISK	<ul style="list-style-type: none"> Establish a governance structure (board, board sub-committees, executive responsibilities, risk management functions) Systematically implement risk information into decision-making. Accept, transfer or mitigate identified risks 	<ul style="list-style-type: none"> Stringent monitoring of risks through regular review of risk register and management of those risks with changes in ratings Improvement of internal reporting of risks further to the creation of a team awareness exercise 	<ul style="list-style-type: none"> Continue implementation of decision making processes and relevant committees and sub-committees to promote better risk management

OPERATIONS

PROPERTY DEVELOPMENT

TURNOVER - SALE OF RESIDENCES (Rs, M)



Property development is of a cyclical nature and this is reflected in the graph showing yearly turnover. In 2017 we accounted only for the revenue on signed Deeds of Sale ('DOS') of the Riviera development on a percentage completion basis. As at the date of the report, 13 DOS have been signed and 3 have funded reservations.

All the units for our Phase II (local) had been sold and handed over at the end of 2016. We did not engage in further development for the local market in 2017 although products to fulfil this market segment are being considered in future phases of development.

A residential development under the PDS scheme was launched in Piton. It is named Les Hauts Champs - Phase II and comprises 16 new residential villas.

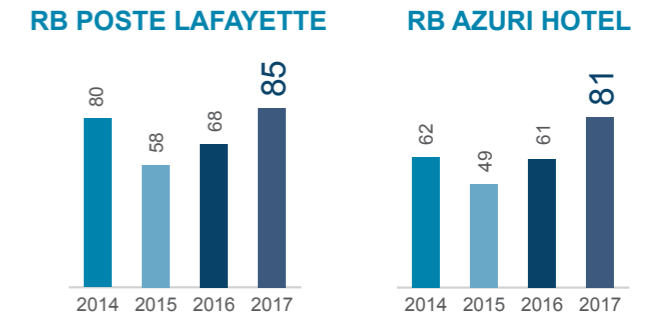
The master plan of the Northern Precinct of Azuri is being fine-tuned by the professionals. This area which is bordered by the Rivière du Rempart will capture its advantages and will integrate both a 9-hole golf course as well as residential villas and apartments.

HOSPITALITY

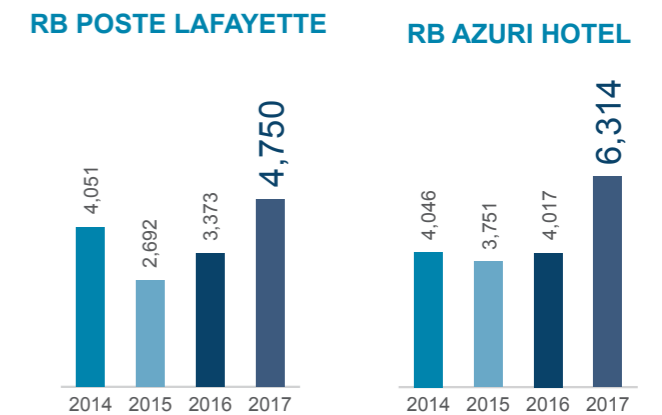
The improved operational performance in 2017 is attributable to the combined effects of the buoyant hospitality sector in Mauritius and the initiatives undertaken by the Operator in positioning and efficiently managing the hotels. With an increase in the TREVPAR of 41% and 57% for the Radisson Blu Poste Lafayette and the Radisson Blu Azuri Hotel respectively, the Operator succeeded in turning around negative operating results to positive Gross Operating Profits for both hotels.

The repositioning of the hotels coupled with higher occupancy have driven increased positive online feedback on social media. On Tripadvisor, the world's largest travel site, out of 178 hotels in Mauritius, the Radisson Blu Poste Lafayette went from 72nd position to 28th since May 1st 2017 and is now featured on the 1st page. The Global Review Index improved from 84.40 to 92.90%. Although on a slower pace, the Radisson Blu Azuri went from 57th position to 51st since May 1st 2017. Global Review Index increased from 89.9 to 91.1%.

OCCUPANCY IN %



TREVPAR



57%

INCREASE IN TREVPAR FOR RB AZURI HOTEL (41% INCREASE FOR RB POSTE LAFAYETTE)

83%

AVERAGE OCCUPATION RATE IN 2017 (65% IN 2016)

OPERATIONS

YIELDING ASSETS

Our short term strategy in respect of yielding assets is to disinvest from commercial centres and offices. As already reported, we have sold the Riverside Shopping Centre in March 2017, the 4th floor of Harbour Front Building in Port Louis in March 2018 and we should soon complete the sale of our shares in Circle Square Holding Company Ltd which owns the Circle Square Retail Park.

The contribution of yielding assets to revenues remains marginal.

FACILITIES MANAGEMENT & SERVICES

Facilities management and services relate mainly to the operational support to our commercial and residential developments. Their value and contribution to the Group results are marginal but we consider them as essential support services to owners of properties we developed as well as to promote carefree ownership for our future property development clients.

The facilities management & services cluster cover a varied range of services.

- Syndic Management services are offered to various residential co-ownerships of residential developments. At the date of the report, Ocean Edge Property Management Ltd is the acting syndic for 14 co-ownerships in Azuri.
- In 2017 we implemented a professional syndic management software and all our co-ownerships are now managed on a cloud based extranet in full transparency to co-owners. The owners have a dedicated access to the co-ownership's documentation as well as their own accounts. The various Syndicate Councils have enhanced access to the detailed accounts for their respective co-ownerships.
- Household, maintenance and repair services are offered to residents for a carefree ownership. Amongst a variety of services, we provide housekeeping and general household cleaning, pool and garden maintenance as well as general maintenance to equipment. Our team can also provide internal hands-on technical support or provide solutions through outsourcing to preferred partners.

- Renting pool, seasonal and short term rentals, long term rentals and resales are services offered by subsidiaries to enable owners to, regularly maintain and manage their properties, to earn greater returns.

Whilst awaiting the enactment of laws to provide for collective «urban» management in Smart Cities for instance, such organisation was required in Azuri which has been forward thinking in its development model. The maintenance of infrastructure, utilities and equipment common to all Azuri village stakeholders and residents is ensured by Azuri Estate Management Ltd (AEM). It also undertakes utilities management, ensuring that technical equipment are operational at all times and that the Azuri Village is a secure place. The underlying principles are that AEM does not aim to make profits and it operates in an open book policy. AEM promotes the smart living in Azuri and actively works on the implementation of smart metering, communication with owners through apps as well as other collaborative projects.

716

CO-OWNERSHIPS LOTS
UNDER SYNDIC
MANAGEMENT

14

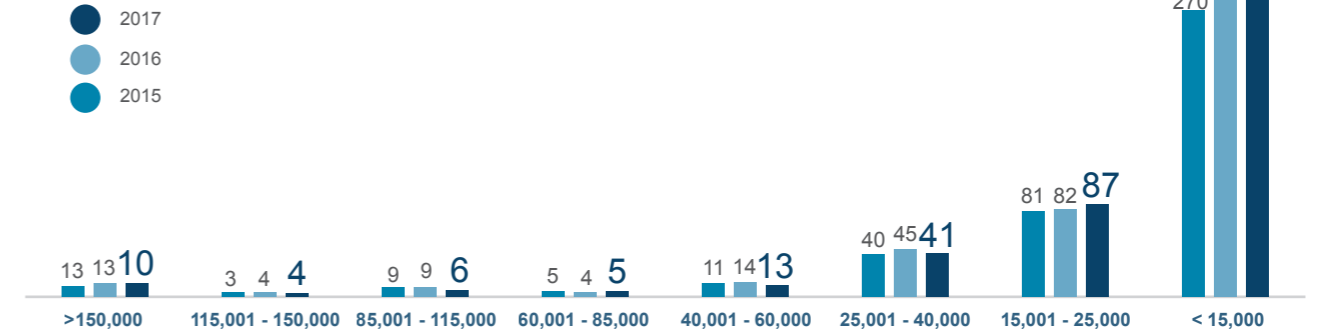
CO-OWNERSHIPS OUT
OF 17 IN AZURI ARE
MANAGED BY US



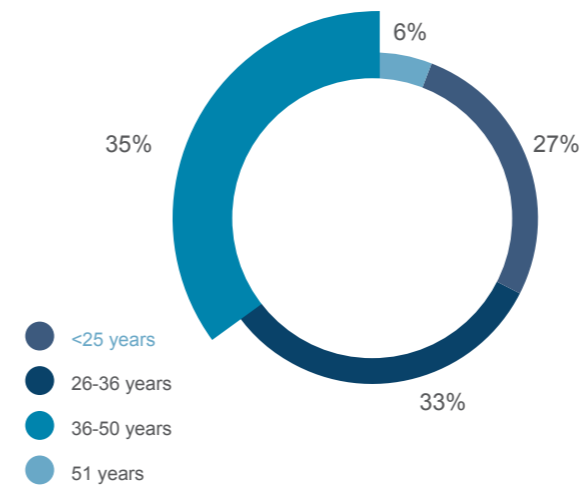
HUMAN CAPITAL

HUMAN CAPITAL

EMPLOYEES BY SALARY RANGE



AGE RANGE



REMUNERATION OF EMPLOYEES

In order to attract and retain talent, the remuneration policy as well as the work environment should be appropriate. These last years we have witnessed challenges and smoother operational clusters; further efforts will be required to implement a performance management system that will contribute towards the growth of the Human Capital while also ensuring proper remuneration. The remuneration profile in 2017 is as per the salary range chart above.

Skills development

Our focus in 2017 has been the skills development of our sales and marketing teams that have attended training programmes at different levels.

We have also trained a number of staff operating at Azuri on health and safety procedures and first aid.

We are also in the process of upskilling a few staff members on written and spoken languages, starting with English.

Vision

In 2017 BlueLife focussed on team collaboration, vision and expectations. The Company's employees partook in a two-day workshop that was interactive, collaborative and emotionally creative and led to us defining our Core Purpose Statements as follows:

Happiness inspires the Lifestyles we create.

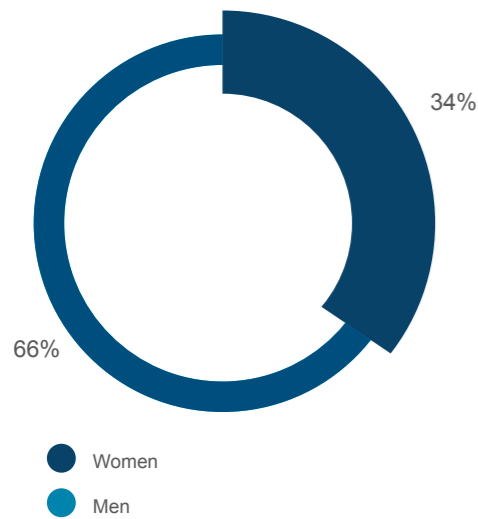
Only Excellence is good enough.

We interact with integrity and respect.

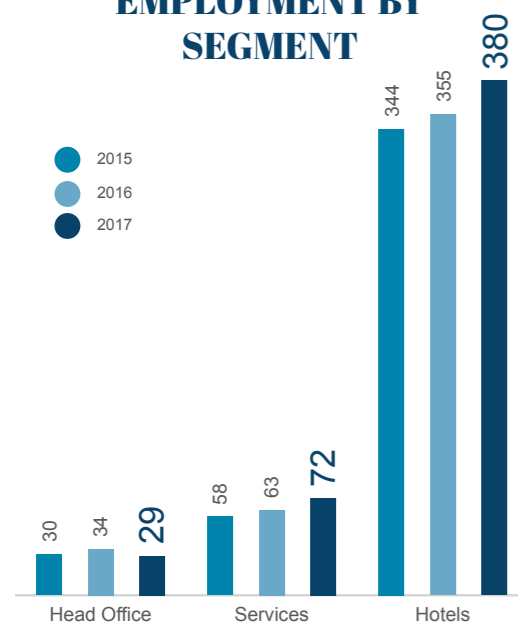
We embrace challenge and never give up.

We succeed through teamwork and collaboration.

UNCHANGED GENDER



EMPLOYMENT BY SEGMENT



As at 31st December 2017, BlueLife Group had increased its workforce to 481 employees, a 6% increase as compared to 2016. The employees at the head office and in our services segment are managed by the HR department of BlueLife. The hotels that are managed by Radisson Blu, have their own HR division.

We are reviewing our workforce composition especially at senior management level, in the light of the revised Master Plan currently being elaborated. We will further strengthen the organisation through team building, within an appropriate and well-defined structure.

The major changes that arose since our last report to date are as follows:

- Mr Maxime Hardy, who had been with the Company since its beginnings as Asset Executive, left the Company in June 2017.
- After more than 7 years with the Company as Project Executive, Mr Anand Cyparsade who saw most of our projects off the ground, left the Company in December 2017.

- Mr Brent Harris who joined the Company on contract as Head of Development and Construction in 2015 left the Company at the end of April 2018.

- Mr Mehdi Morad was hired in January 2016 as Cluster General Manager of the two hotels operated by Radisson Blu. After 16 months in place and a successful turnaround of the operating results of the two hotels, Mehdi left to take on new challenges in one of the most prestigious hotels in Dubai. Mr Ivan Catherine, a Mauritian hospitality professional, was promoted Cluster General Manager on 1st March 2018. He is assisted by two operations managers namely Nitin Veerasawmy (internal promotion) and Benoit George (recruited).

- Mr Patrick Lan who was initially appointed Regional Director of Sales - Leisure & MICE by Carlson Rezidor on part-time secondment to our hotels, has moved to a full time employment within the Group as Executive Assistant Manager i/c Commercial & Revenue as from 1st of March 2018

We have employees of all ages. We rely on our older staff to share their wealth of experience and wisdom with their younger colleagues. At the same time, we encourage our younger staff to delve into new technologies, and to innovate, so that our operations can adopt the latest trends and methods.



WE SUCCEEDED THROUGH **TEAMWORK & COLLABORATION**

Our team is made up of some of the industry's most knowledgeable and high-performing professionals with a track record of creating value. How do we achieve greater collaboration? Our secret lies in diversity. Bringing together people of diverse

views, backgrounds, and areas of expertise to create a convergence of skill sets that spark insight and innovation. We believe the best ideas come from a room full of different minds: this is how breakthrough innovations are driven and synergies are achieved.

RISK MANAGEMENT

Risk management is a valuable process where the preparedness to uncertainties, the reactivity and the decision-making are key elements for the success of organisations.

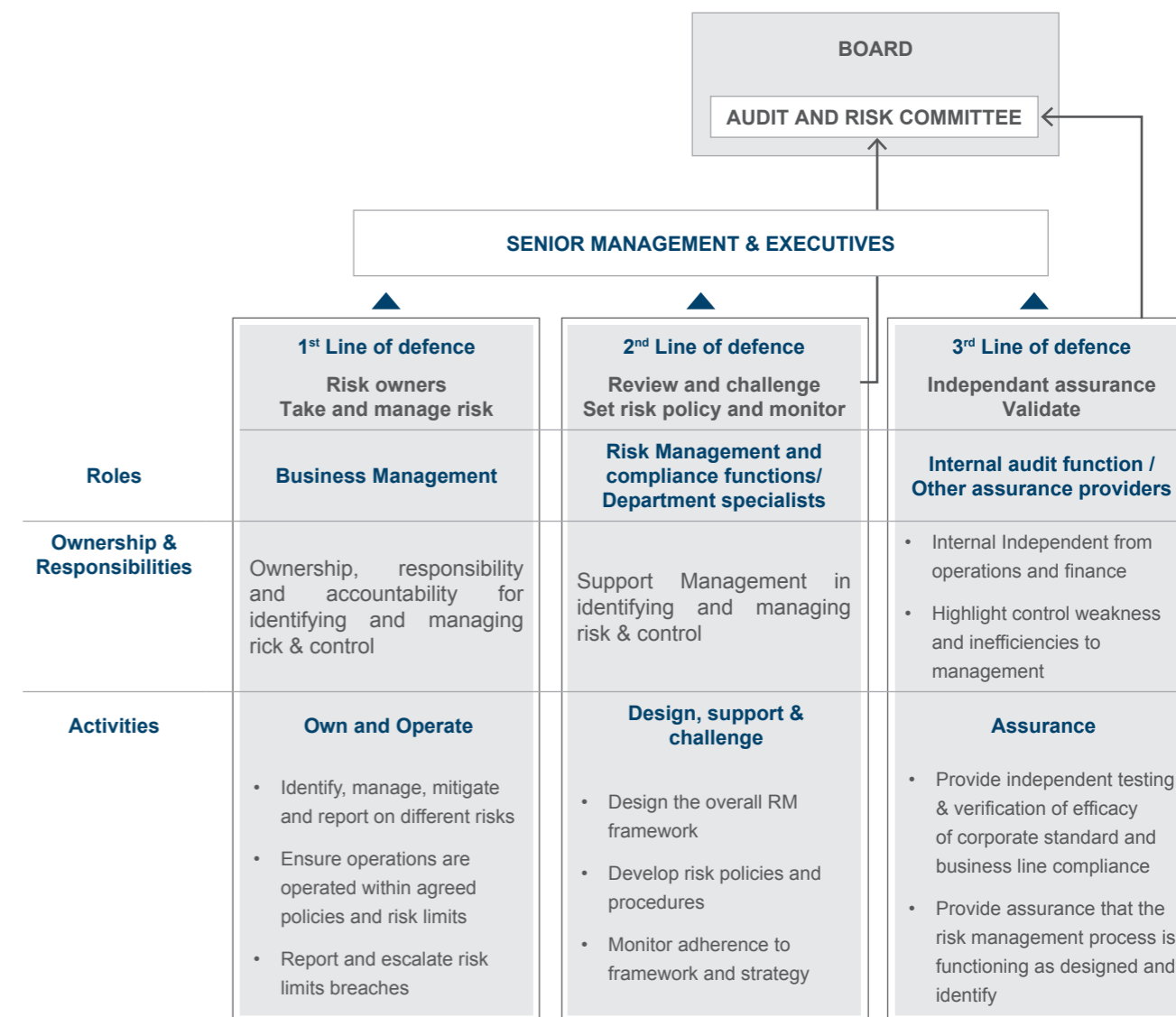
The conduct of our businesses and activities inherently exposes our organisation to risks. This is why it is essential that the whole organisation is made aware of the risks involved, and of the need to install a proper Risk Management System to manage, monitor, and control risk. We:

- Ensure that the Management Team in all divisions develops a risk awareness culture and that all procedures are in place to identify, assess, report and monitor the major risks in our day-to-day operations.
- Structure the reporting and decision making processes, adopting collegial decision making with respect to some critical areas.
- Promote increased exchange of relevant information between the various clusters in the Group, particularly with formalised structured meetings where risks can be anticipated at early stages and mitigating actions taken

In 2017, management continues its stringent monitoring of risks through regular review of the risk register and management of those risks with changes in ratings. Additionally, a project risk register is being implemented for each individual project to identify, assess, rate, report and follow up on detailed particular risks attached to each project from conception to completion, increasing our capability to anticipate problems and mitigate their potential impacts on returns.

RISK MANAGEMENT FRAMEWORK

Risk is managed at various levels in our organisation and our risk framework is being set on the 3 lines of defence approach moving up to the Board of Directors who acts as the overseeing body. The Board establishes a governance structure as defined in the table below, identifying any desirable changes to the risk culture into the organisation and ensuring that management takes all steps required to address those changes. The framework is illustrated below:



Various committees, along with senior management, exist as 1st line of defence with cross-fertilisation between the various departments and activities so that any risk-related occurrence can be addressed immediately and escalated to the 2nd line of defence. Regular discussions have favoured the development of the risk awareness culture at management level and we are looking to disseminate the same to operational levels.

RISK MANAGEMENT

OUR PRINCIPAL RISKS AND CHANGES FROM LAST YEAR

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
All of our residential development projects are located in Mauritius and our financial performance is almost entirely dependent upon the attractiveness of Mauritius to foreign buyers	▲	<ul style="list-style-type: none"> Slowdown in the IRS market in 2017 Competition from other markets on the residential segment (Portugal, St Nevis and Kitts) 	<ul style="list-style-type: none"> Take advantage of various schemes in place Adopting competitive pricing strategies Ensuring the permanent adequacy of our offerings to customers' needs. Maintain close relationships with business partners, agents and other clients' sourcing agencies.
We face competition from other residential development projects.	▲	<ul style="list-style-type: none"> Any oversupply of residential development in the same market segment may adversely affect our sales program, price targets and sales revenue. The development of the resale market with an increased inventory has generated new competition. Our inventory is currently limited to one type of villas. 	<ul style="list-style-type: none"> Ensuring a robust development project screening process in place Adopting competitive pricing strategies Ensuring the permanent adequacy of our offerings to customers' needs. Favouring the proper diversification of the Group's activities by having a blend of property, office and retail development.
Our results of operations depend on tourism in Mauritius	▼	A decline in the attractiveness of Mauritius to international visitors, and a decline in tourism generally, would have a material adverse effect on our hotel revenue levels.	<ul style="list-style-type: none"> Keeping abreast of the continued attractiveness of Mauritius as a tourist destination Monitoring and ensuring the continued attractiveness of our hotels as compared to competing hotels in Mauritius; Monitoring the effectiveness of our marketing campaigns and initiatives

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
We may be unable to lease or re-lease space in our properties and terms might not be as favourable if let.	◀▶	<ul style="list-style-type: none"> Demand for our properties remaining low Limit the optimisation of our tenant mix Limit our ability to retain tenants at expiry Our tenants seeking to renegotiate the terms of their leases in their favour Our ability to raise the rent may be constrained 	<ul style="list-style-type: none"> Ensuring leases contain automatic renewal Emphasis on retention of tenants on lease expiry Continued engagement with tenants Willingness to negotiate lease terms to retain/sign tenants Ensuring well maintained buildings to attract prospective tenants Providing quality, yet affordable space
Our results of operations and cash flows are dependent on our tenants' ability to meet their financial obligations.	◀▶	<ul style="list-style-type: none"> Tenants' insolvency / bankruptcy Growing delinquencies in payment of rent and other charges due from our tenants 	<ul style="list-style-type: none"> Credit control to assess and regularly monitor tenants' risk profile and engagement Systematic Risk assessment profile of tenants prior lease agreement signature Tenants' arrears closely monitored and termination of non performing tenants' leases Credit control measures to curb bad debt
Real estate valuation is inherently subjective and uncertain	◀▶	Our judgement and the judgement of the independent appraisers who perform valuations on our behalf significantly affect the determination of the market value of our properties.	<ul style="list-style-type: none"> Benchmarking undertaken, as much as possible, with comparative properties and known transaction to establish reasonableness of value Ensuring the valuers are of good standards and have experience in the location and category of the property being valued

RISK MANAGEMENT

RISKS RELATING TO OUR OPERATIONS

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
Our operating expenses and maintenance capital expenditures may be higher than expected, and all of these costs may not be recoverable.	◀▶	<ul style="list-style-type: none"> Increase in subcontracted costs, labour costs, repair and maintenance costs, insurance premiums and/or utility costs. Not all of these expenses are or can be recouped from our tenants. 	<ul style="list-style-type: none"> Improving facilities management to reduce operational expenses
We are exposed to development / revenue risks.	▲	<ul style="list-style-type: none"> Lower than expected yields, rent levels, sales price levels, sales levels Delay in the sales/ rent programmes Currently reaching end of project cycle on most developments and there is a low level of inventory. Delay in putting new residential project to market and launching construction will impact revenue 	<ul style="list-style-type: none"> Implementing strong research in assessing forecast of yield development, allocation strategy, investor demand and occupiers and consumer demand Ensuring a robust development project screening process in place Phasing strategy: By adequately phasing projects, the steps to be taken are smaller, with possible exits / remedies following each phase. Systematically demonstrate the market appetite by pre-selling and pre-letting phases Flexibility might be needed to achieve the best price possible or to allow for tenant demands and design changes. Launch new phases at earliest without compromising on milestones procedures to ensure that risks are contained
We are exposed to construction risks	◀▶	<ul style="list-style-type: none"> Reliable contractors working at full capacity Upward pressure on cost of construction and building materials, equipment or labour as a result of rising commodity prices or inflation or otherwise Unforeseen engineering problems Default by or financial difficulties faced by contractors and other third party service and goods providers 	<ul style="list-style-type: none"> Careful meticulous calculations in the development and design processes Using controlled pricing mechanisms when entering into construction contracts. Ensuring a robust screening of the quality of partners. Careful drawn up of contracts and agreements (clauses on the decision process and exit possibilities) Ensuring financial situation of contactors and professionals before allotment of contract
We are not attracting new customers or are not able to retain our existing customers	◀▶	<ul style="list-style-type: none"> Declining sales performance Increasing tenants departure 	<ul style="list-style-type: none"> Improving responsiveness to our customers' requests Nurturing relationships with existing customer network

RISKS RELATING TO OUR OPERATIONS

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
Our properties and assets could be exposed to damages	◀▶	<ul style="list-style-type: none"> Deterioration in the buildings quality as a result of incidents or due to construction defects 	<ul style="list-style-type: none"> Regular monitoring, sites visits and inspection Ensuring continual interaction with tenants/ residents Increasing vigilance and security at properties Claiming impact of structural defects to contractors/ professionals Insuring against insurable hazards
The terms of our indebtedness contain restrictions that may limit our flexibility in operating our business.	◀▶	<ul style="list-style-type: none"> Limitation in our ability to access, engage into transactions or projects Increase in required covenant ratios Financial institutions exposure to real estate limiting potential to lending 	<ul style="list-style-type: none"> Maintaining conservative loan to value ratios Manage cash position and available funding headroom Spread of funding providers /diversified funding base Maturity profile of debt evenly spread Maintaining a sufficiently large liquidity buffer Regular liquidity stress testing and scenario analysis Maintain adequate contingency funding plans
Our properties and operations could be exposed to external events, catastrophic events or acts of terrorism	◀▶	<ul style="list-style-type: none"> Inability to recover operations in the event in unexpected disruptions and disasters outside our control Loss of critical management information and delays in billing and collection of revenues, Risks related to failure of these IT systems (in terms of hardware and software), cyber-crimes like hacking and phishing leading to data thefts 	<ul style="list-style-type: none"> Implementation of strong response action plan Contingency and recovery plans for core services, key systems and priority business processes have been developed and are revisited as part of existing management processes to ensure that continuity strategies and plans remain relevant Back Ups and complete redundancy of the IT environment being built at an offsite location
We may not have adequate insurance	◀▶	<ul style="list-style-type: none"> Losses not fully compensated by insurance 	<ul style="list-style-type: none"> Maintaining insurance policies where practicable, covering both our assets and employees Permanent control of policy specifications and insured limits In 2015, detailed and full review of risks and insurance cover

RISK MANAGEMENT

RISKS RELATING TO OUR PEOPLE AND SYSTEMS

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
We rely on certain key personnel	▲	<ul style="list-style-type: none"> We face risks related to our ability to continue to attract, retain and motivate our senior management and other skilled personnel in our company 	<ul style="list-style-type: none"> Succession planning and staff retention plans introduced across the group Offering market-related salaries and benefits Motivating key persons on the Long Term Incentive Plan Keep database of interesting CVs & contacts
Our employees do not embrace our ethical values and behaviour	◀▶	<ul style="list-style-type: none"> Internal dysfunctional behaviours of employees such as, withholding information, under delivering and overpromising, misrepresenting results, use of company data for personal use, etc. Whistleblowing with respect to unethical behaviours by employees involved in bribery, misrepresentation, side businesses, etc... 	<ul style="list-style-type: none"> Ensure the strict adherence to the Code of Ethics embracing the Group's values, ethical considerations and principles

RISKS RELATING TO ECONOMY AND LEGISLATION

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
Inflation may adversely affect our financial condition and results of operations	◀▶	<ul style="list-style-type: none"> Inflation increase in the future 	<ul style="list-style-type: none"> Establishing fixed contracts with suppliers or with capped increases particularly for long term contracts Providing for indexation clauses in contracts with tenants/clients particularly for long term contracts
Interest rate movement volatility in interest rates may adversely affect our cost of borrowings	▼	<ul style="list-style-type: none"> Significant upward changes in interest 	<ul style="list-style-type: none"> Using fixed interest instruments Provide for interest rate buffer in all commercial appraisals Maintaining loan to value ratios as low as possible Accessing new sources of funding at lower cost

RISKS RELATING TO ECONOMY AND LEGISLATION

Risk description	Change from LY	Trigger event / indicator	Control process to mitigate risk
Future changes in the Rupee exchange rate against main currencies	◀▶	<ul style="list-style-type: none"> Significant currency fluctuations in major currencies 	<ul style="list-style-type: none"> Developing markets based on several currencies for sale of properties, hotel operations and for sourcing of material
We may incur unplanned costs related to compliance with health and safety and environmental laws	◀▶	<ul style="list-style-type: none"> Failure of our contractors to comply with the relevant standards make us liable for penalties and our business or reputation could be materially and adversely affected Criminal / Civil prosecution Arising of an health and safety or environmental liability in relation to any of our properties Amendments to existing laws and regulations relating to safety standards and the environment imposing more onerous requirements on us and necessitating further capital expenditure 	<ul style="list-style-type: none"> Observe high standards Changing the Group's safety culture by focusing on behaviour observation, reward and communication Zero tolerance for non-compliance to safety rules
We are required to comply with applicable laws and regulations and to maintain licences and permits to operate our businesses, and our failure to do so could adversely affect our results of operations and prospects	▲	<ul style="list-style-type: none"> Objections or delays in obtaining and maintaining requisite approvals, certifications, permits and licences Revocation of our licence Stop orders / suspension of operations 	<ul style="list-style-type: none"> Establishing internal procedures and controls to comply with prevalent legislations Keeping informed of changes in legislation governing our business activities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements in accordance with International Financial Reporting Standards for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period and the external auditors are responsible for reporting on whether the financial statements are fairly presented. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State that International Financial Reporting Standards have been adhered to, subject to any material departures being disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business; and
- Comply with the Code of Corporate Governance and provide reasons in case of non-compliance with any requirement of the Code.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and the Group. They are responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for maintaining an effective system of internal control and risk management.

Approved by the Board of Directors on March 30, 2018 and signed on its behalf by



Sunil Banyamandhub



Christine Marot

CORPORATE GOVERNANCE REPORT

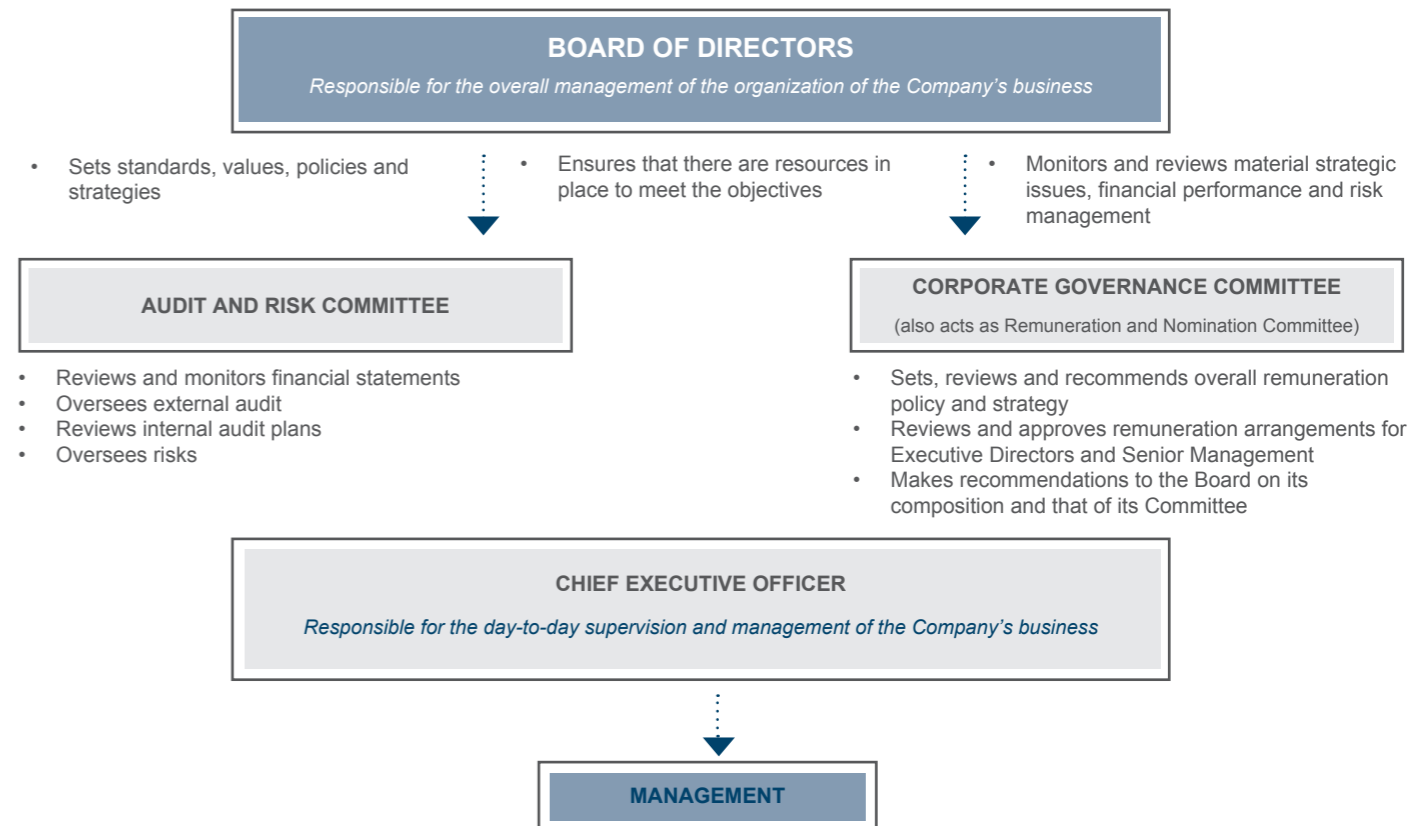
INTRODUCTION

The new Code on Corporate Governance, based on an "Apply and Explain" principle, is effective since July 1st 2017. The Board of BlueLife Limited is committed to achieving high standards of corporate governance and recognizes the importance of good governance to ensure continued growth, success and to enhance investors' confidence. This corporate governance report sets out BLL's approach under the new Code and how it has applied the principles during the year under review and what remains to be implemented.

Board seeks to promote a culture of openness and innovation, relying upon a framework of corporate governance and internal controls which are designed to protect the Company's assets. A Board Charter will soon be submitted for Board approval. The Board functions independently of management and there is a clear division of responsibilities between the Chairman and the Chief Executive Officer, their roles being distinct. The day-to-day management of the business is delegated to the Executive Directors and Senior Management. The Board has also specific matters reserved to it for decision, such as strategic long-term objectives and it delegates some of its duties to Committees, each of which has clearly written terms of reference. The diagram below provides a summary of how governance and control are organized at BlueLife.

GOVERNANCE STRUCTURE

The Board is collectively responsible for the long-term success of the Company and for its leadership, strategy, values, standards, control and management. Through sound leadership, the



CORPORATE GOVERNANCE REPORT

THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

THE BOARD

The Board of BlueLife Limited is currently managed by a unitary Board of eleven Directors, comprising the Chairman who is a Non-Executive Director, two Executive Directors, three Independent Non-Executive Directors and five Non-Executive Directors.

KEY ROLES AND RESPONSIBILITIES

<p>CHAIRMAN Sunil Banymandhub</p> <p>The Chairman of the Board is responsible for: (i) the leadership of the Board, (ii) ensuring its effectiveness, (iii) setting its agenda and (iv) ensuring effective links between shareholders, the Board and management.</p>	<p>EXECUTIVE DIRECTORS Christine Marot: Chief Executive Officer Michele Anne Espitalier Noel: Chief Finance Officer</p> <p>The Chief Executive Officer, with the collaboration of the Chief Finance Officer, is responsible for: (i) developing the Company's strategic direction, (ii) implementing policies and strategies as decided by the Board and (iii) managing the Company's business.</p>
<p>NON-EXECUTIVE DIRECTORS Jan Boullé Ravi Prakash Hardin Arnaud Lagesse Benoit Lagesse Jean Luc Wilain</p> <p>The Non-Executive Directors and the Independent Non-Executive Director constructively challenge the Executive Directors and monitor the delivery of the agreed strategy within the risk and control framework set by the Board.</p>	<p>INDEPENDENT DIRECTORS Isabelle de Gaalon Decailot Christophe Barge Kevin Teeroovengadam</p> <p>Similarly, to the Non-Executive Directors, the Independent Directors constructively challenge the Executive Directors and monitor the delivery of the agreed strategy within the risk and control framework set by the Board.</p>

COMPANY SECRETARY

IBL Management Ltd

The Company Secretary has the primary responsibility for guiding the Board as regards their duties and responsibilities. Through the Chairman, the Company Secretary is responsible for: (i) advising the Board on matters of corporate governance, (ii) ensuring good information flows with the Board and its Committees, (iii) ensuring that Board procedures are followed and that applicable laws and regulations are complied with. One of the core functions of the Company Secretary is the taking of accurate Board minutes. These are subsequently submitted for approval at the following meeting.

Board papers are typically circulated a week in advance of meetings to ensure that Directors have sufficient time to consider their content prior to the meeting and thus enable them to fulfill their duties properly. Senior Executives are also invited to attend Board meetings to present and elaborate on discussions relating to their areas of specialty.

The Company Secretary is the primary channel of communication between the Company and its shareholders and interacts also with the relevant regulatory authorities.

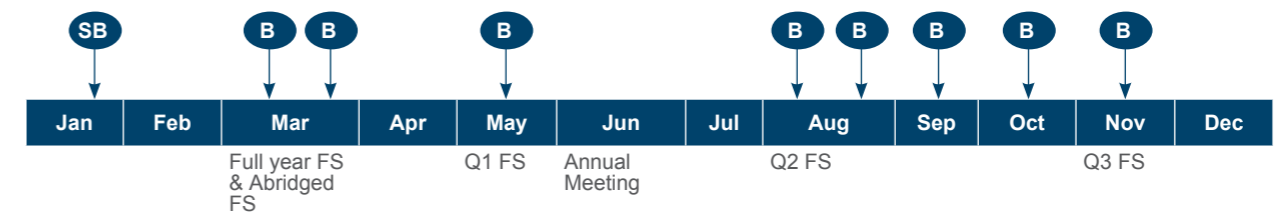
Balance and Gender Diversity

The Directors believe that given the size of its Board, the gender composition is adequate. The current Board comprises 3 women out of a total of 11 Directors. The Board strongly believes that its 2 non-citizens and non-resident Directors contribute further to the diversity of the Board.

Skills and experience

Given the size and the sector of activities of the Company, the Directors consider that the current Board is of a reasonable size and possesses the right mix of skills and experience to provide leadership, integrity and judgement in managing the affairs of the Company.

Board meetings and activities in 2017



Key

SB: Special Board meeting

B: Board meeting

Agenda setting process

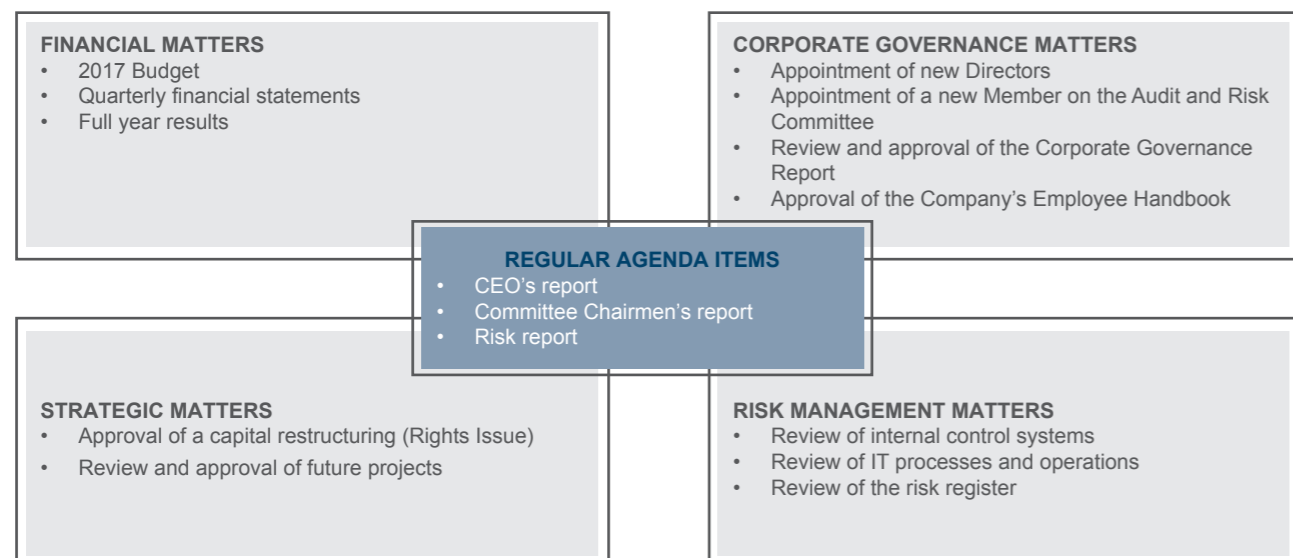


CORPORATE GOVERNANCE REPORT

Matters considered by the Board in 2017

Board meetings are scheduled by all Directors in advance and are held on a quarterly basis to devise, implement, review and monitor strategies, procedures and controls for the smooth running of operations and to ensure compliance with various legislations and regulatory requirements. There were nine Board meetings during the year under review and decisions were also taken by way of written resolutions signed by all the Directors.

In 2017, the Board received regular asset, financial and performance updates from the Executive Directors and reports from the Committee Chairmen. Other matters considered by the Board during the year are set out below.



Major activities in 2017

Rights Issue

On August 11, 2017, the Board of Directors approved a Rights Issue of 229,599,782 new ordinary shares of no par value at an issue price of MUR 1.96 per share in the proportion of 0.5398 new ordinary share for each share held. The salient features of the Rights Issue are detailed in the table below.

New Ordinary Shares	New ordinary shares of no par value of BlueLife ranking pari passu with the existing ordinary shares.
Purpose of the issue	To enable the Company to restructure its financial position for future growth and value creation and provide for working capital to strengthen its current financial position.
Terms of the issue	Rights Issue of 229,599,782 New Ordinary Shares at an issue price of MUR. 1.96 each. A shareholder of BlueLife, will be entitled to subscribe to 0.5398 New Ordinary Shares for every one (1) Ordinary Share registered in his/her name on 9 January 2018 rounded down to the nearest integer when fractions occur.
Listing of the New Ordinary Shares	Fully paid New Ordinary Shares will be listed and traded on the Official List of the SEM as from 6 March 2018. The Listing Executive Committee of SEM has, on 19 December 2017, approved the listing of the New Ordinary Shares.
Amount to be raised under Rights Issue	MUR. 450 Million
Opening of rights subscription	January 26, 2018
Closing of rights subscription	February 16, 2018
Payment terms	Payable on February 16, 2018 at latest
Issue date	March 5, 2018

Stated Capital before and after the Rights Issue

	Number of shares
Stated capital prior to the Rights Issue	425,342,317
New issue of shares	229,599,782
Stated capital following the Rights Issue	654,942,099

Mandatory Offer

On completion of the Rights Issue, 59,174,111 ordinary shares had been subscribed to and 170,425,671 shares underwritten by IBL Ltd. This has further consolidated IBL's stake in BlueLife from 8.4577 % to 34.48% and triggered a mandatory offer under the Securities (Takeover) Rules 2010. As at date of publication of this Annual Report, the process for this Mandatory Offer was still ongoing.

Board Changes

On February 23, 2018, Mr. Louis Mynhardt resigned as Director and the following persons were appointed:

- Mrs. Isabelle de Gaalon Decailot: Independent Non-Executive Director
- Mr. Jan Boullé: Non-Executive Director
- Mr. Benoit Lagesse: Non-Executive Director
- Mr. Ravi Prakash Hardin: Non-Executive Director
- Mr. Jean-Luc Wilain: Non-Executive Director

Attendance at Board meetings in 2017

	24/01/2017	08/03/2017	24/03/2017	11/05/2017	10/08/2017	11/08/2017	26/09/2017	06/10/2017	09/11/2017	Total
Sunil Banymandhub	√	√	√	√	√	√	X	√	√	8
Christophe Barge	X	√	√	√	√	√	X	√	√	7
Michele Anne Espitalier Noel	√	√	√	√	√	√	√	√	√	9
Arnaud Lagesse	√	√	√	√	√	√	√	√	√	9
Christine Marot	√	√	√	√	√	√	√	√	√	9
Louis Mynhardt	X	√	√	√	X	X	X	X	√	4
Kevindra Teeroovengadam	√	X	√	√	√	√	√	X	√	7

CORPORATE GOVERNANCE REPORT

THE COMMITTEES OF THE BOARD

The Board is assisted by two sub-Committees: one covering Audit and Risk and the second covering Corporate Governance which also acts as the Remuneration and Nomination Committee. However, the Board remains collectively responsible for the decisions and actions taken by the two sub-committees. These two Committees operate within defined terms of reference and may not exceed the authority delegated by the Board. The sub-Committees are chaired by experienced Chairmen who report to the Board on the issues discussed at each of their meetings. The Secretary of the Board acts also as the Secretary of the Board Committees.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities. It is the Committee's responsibility to review the integrity of the financial statements and the effectiveness of the internal and external auditor. A copy of the Terms of Reference of the Audit and Risk Committee is available on the website of the Company on www.bluelife.mu.

Composition

The Audit and Risk Committee was chaired by Louis Mynhardt who was a Non-Executive Director. Even though the Code recommends that this Committee be chaired by an Independent Non-Executive Director, the Board considered that the latter had substantial accounting and financial experience to chair the Committee. The other members of the Committee are Kevindra Teeroovengadum and Christophe Barge. The meetings are also attended by the Chief Executive and the Chief Financial Officer. When required, the internal and external auditors are invited to attend and report on matters relevant to their scope of work.

Annual Effectiveness Review

The Audit and Risk Committee confirms that, in accordance with its terms of reference, it has met its key objectives and fulfilled its responsibilities for the year under review.

Matters considered by the Committee in 2017

The Audit and Risk Committee met three times during the year and below is a list of issues considered by the Committee:

Regular matters considered	Other matters considered
The review and recommendation to the Board for approval: <ul style="list-style-type: none"> Q1 results for the period ended March 31, 2017 Q2 results for the period ended June 30, 2017 Q3 results for the period ended September 30, 2017 Q4 results for the full year ended December 31, 2017 	Indebtedness, cash flow, financial restructuring of debt and Rights Issue
Risk register	Internal audit reviews on the hotels by Messrs. PwC on: <ul style="list-style-type: none"> HR and payroll IT Management Revenue cycle Procurement
	External audit report from Messrs. BDO & Co on the full year audited financial statements.

2017 Audit and Risk Committee Attendances

Name	23/03/2017	10/05/2017	08/11/2017	Total
Louis Mynhardt, Chairman	√	√	√	3
Kevin Teeroovengadum, Member	√	√	√	3

Note: On 9 November 2017, the Board upon the recommendation of the Nomination Committee, appointed Christophe Barge as a member of the Audit and Risk Committee.

Corporate Governance Committee

The Corporate Governance Committee was set up by the Board of Directors to determine, agree and develop the Company's general policy on corporate governance in accordance with the provisions of the Code of Corporate Governance. The Committee also acts as Remuneration Committee and Nomination Committee as and when required.

Composition

This Committee is chaired by Christophe Barge, an Independent Non-Executive Director. The other members of the Committee are Sunil Banyamandhub and Arnaud Lagesse. The Chief Executive is invited to attend meetings of the Committee.

Annual Effectiveness Review

The Corporate Governance Committee confirms that, in accordance with its terms of reference, it has fulfilled its responsibilities for the year under review. A copy of the Terms of Reference of the Committee is available on the website of the Company on www.bluelife.mu.

Matters considered by the Committee meetings in 2017

The Corporate Governance Committee met three times during the year and the issues considered by the Committee were:

Matters considered
Approval of the corporate governance report 2017
Senior management & staff salary review
The adoption of an Employee Handbook
Appointment of an Audit and Risk Committee member
Appointment of new Directors

2017 Corporate Governance Committee Attendances

Name	24/03/2017	11/05/2017	09/11/2017	Total
Christophe Barge, Chairman	√	√	√	3
Sunil Banyamandhub, Member	√	√	√	3
Arnaud Lagesse, Member	√	√	√	3

DIRECTOR APPOINTMENT PROCEDURES

Appointment and re-election

In line with its terms of reference, the Corporate Governance Committee, in its capacity as Nomination Committee, makes recommendations to the Board on all new Board and Senior Executive nominations.

According to the clause 19 of the Constitution of the Company, the Directors have power, at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. As a listed entity, BlueLife is required to submit to the regulators the relevant documents pertaining to a newly appointed Director. The Director appointed to fill up the vacancy shall hold office only until the next following Annual Meeting and shall then be eligible for re-election.

At the forthcoming Annual Meeting of shareholders, scheduled for June 22, 2018, the following matters upon the recommendation of the Corporate Governance Committee, shall be proposed to the shareholders:

- To elect as Director of the Company, Mrs. Isabelle de Gaalon Decailot, who has been nominated by the Board and who offers herself for election.
- To elect as Director of the Company, Mr. Jan Boullé, who has been nominated by the Board and who offers himself for election.
- To elect as Director of the Company, Mr. Jean-Luc Wilain, who has been nominated by the Board and who offers himself for election.
- To elect as Director of the Company, Mr. Benoit Lagesse, who has been nominated by the Board and who offers himself for election.
- To elect as Director of the Company, Mr. Ravi Prakash Hardin, who has been nominated by the Board and who offers himself for election.

CORPORATE GOVERNANCE REPORT

Board induction

Directors newly appointed to the Board and/or its Committees receive a complete induction pack from the Company Secretary. A leaflet detailing the duties and responsibilities of new Directors under the respective legislations is also provided upon appointment.

Onsite visits are organised for newly appointed Directors so that they may familiarise themselves with the operations of the Company and the Group. On February 23, 2018, 5 new Directors were appointed and onsite visits to Azuri Village and Poste Lafayette Radisson Blu Resort & Spa were organised accordingly.

Professional development and training

Directors are encouraged to keep themselves up to date with latest professional practices. In June 2017, the Directors were invited to participate in a half-day workshop on the new Code on Corporate Governance. This half-day session enabled the Directors to familiarize themselves with the new Code and its implications for BlueLife.

Succession plan

One of the responsibilities of the Board is to ensure that there exists a succession plan for appointments to the Board and senior management positions within the Company.

DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Directors' Duties

Directors are aware of their legal duties. Once appointed on the Board, a leaflet detailing the duties and responsibilities is provided to the Director. In addition, a newly appointed Director receives the following documents:

- The Terms of Reference of the Board sub-committees
- The Constitution
- Salient features of the Listing Rules and the Securities Act

Interests' Register, conflicts of interest and related party transactions policy

The Directors of BLL have disclosed any potential conflict of interest in accordance with the law in the event that companies in which they are Directors are engaged or may become engaged in real estate developments substantially of the same nature as

the Company. Such disclosure is recorded in an interests' register maintained by the Company Secretary, which is available for consultation to shareholders upon written request made.

A document setting out the salient points of what is a conflict of interest and how to identify and disclose any potential conflict of interest is available to the Directors of BLL. The proper procedure for declaring a conflict of interest is set out in the document. As per the procedures, when a Director is conflicted, the latter does not participate in Board discussions and does not vote on the matter. Any declaration of interest is formally minuted.

The Directors confirm that there exists no conflict between their duty to act in the best interests of the Company and their own personal interest.

The Directors also confirm that they have followed the principles of the Model Code for Securities Transactions as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules. For the financial year under review, the Directors did not deal in the shares of the Company.

Directors are aware of situations which may trigger related party transactions. A document identifying related parties and related party transactions has been made available to the Directors.

Remuneration policy

The Board has entrusted the Corporate Governance Committee which also acts as Remuneration Committee with the responsibility of determining the remuneration of the Directors, Senior Management and employees whilst taking into consideration prevailing market conditions, benchmarking within the industry and the Company's results.

No pre-determined criteria have been set up for remunerating Executive Directors approaching retirement. This will be determined by the Board as and when required.

The table below depicts the remuneration received by the Board members for the year ended December 31, 2017.

Directors	Attendance at Board Meetings	Attendance Fees Per Meeting (MUR)	Total Attendance Fees (MUR)	Annual Fixed Directors' Fees (MUR)	Total Fees per Director (MUR)
Sunil Banymandhub	8	25,000	200,000	185,753	385,753
Christophe Barge	7	25,000	175,000	150,000	325,000
Michele Anne Espitalier Noel ²	9	Nil	Nil	Nil	Nil
Arnaud Lagesse ³	9	25,000	225,000	264,247	489,247
Christine Marot ²	9	Nil	Nil	Nil	Nil
Louis Mynhardt ¹	4	25,000	100,000	150,000	250,000
Kevindra Teeroovengadam	7	25,000	175,000	150,000	325,000

Note:

¹ Fees were paid to ACTIS

² No fees were paid to the Executive Directors for attending Board meetings

³ Fees were paid to IBL Management Ltd

Fees are not paid to the Chairman and the members of the Audit and Risk Committee and the Corporate Governance Committee.

Remuneration and benefits paid to the Executive Directors under employment contracts.

Total Fees (MUR)	
Executive Directors	14,289,432

Note: For reasons of confidentiality and due to commercial sensitivity of such information, total remuneration has been disclosed.

Long term incentive plan

BlueLife does not have a long-term incentive plan. However the Board is considering to implement such a plan as from 2019.

Board evaluation

In view of the various Board changes at the beginning of 2018, a Board evaluation exercise will be conducted during the course of the year 2019/2020.

INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE

Board Information

Board information is sent to the Directors at least one week before each Board meeting. Information is sent by the Management who remain at the disposal of the Board members should they wish to obtain further clarification. The Company Secretary acts as a liaison between the Management and the Board.

Information Technology and Information Security Governance

IT Policies and procedures are handled by the management and overseen by the Audit and Risk Committee.

Through policies, including internet and computer usage policy as well as social media policy included in the staff handbook, principles are established for the management of information technology.

BlueLife has designed a policy to ensure that its operations can run smoothly. The policy document is designated to create employee awareness of aspects which impact the smooth running of IT operations to promote easy adherence by BLL employees to the policy. It includes:

- Computer and Internet Usage Policy
- Mobile Usage Policy (COD)
- BYOD Policy
- Social Media & Data Privacy Policy

Information Security Governance has the objective to minimize the risk of damage by preventing security incidents whether internal or external, deliberate or accidental and to enable BLL to recover as quickly and efficiently as possible and is set:

- In the obligations set on employees for usage and access
- In the determination of access rights and relevant login and passwords
- In the Password Protection Enforcement Policy
- In Internal IT procedures for backups
- In an IT Business Continuity Policy

CORPORATE GOVERNANCE REPORT

Information Technology and Information Security Governance (cont'd)

The Internal audit plan for 2018 provides for a full review on Information Technology and Information Security Policies in place as well as a control of procedures in place and adherence to the policy and procedures.

A plan is being developed in view of establishing alignment of IT with the business as well as its ability to maximize benefits while being properly managed.

RISK GOVERNANCE AND INTERNAL CONTROL

The Directors are responsible for maintaining an effective system of internal control and risk management. Whilst these two functions are delegated to the Audit and Risk Committee, the governance of risk, the nature and risk appetite of the Company remain the ultimate responsibility of the Board. The Directors are also responsible in ensuring that:

- Adequate accounting records are kept and effective internal control systems are maintained.
- Accounts are prepared in order to fairly present the state of affairs of the company and the results of its operations and that those accounts comply with International Financial Reporting Standards (IFRS).
- Appropriate accounting policies are applied, supported by reasonable and prudent judgements.
- Appropriate whistle-blowing rules and procedures are in place.

While it is not possible to identify or anticipate every risk due to the changing business environment, the Company has an established risk management process to manage and mitigate those key risks which it believes could have an impact on its activities. The Company's process for identifying and managing risks is set by the Board and delegated to the Audit and Risk Committee. Risks are managed and reviewed on a quarterly basis by the members of the Audit and Risk Committee and reported accordingly to the Board.

A detailed report on the key risks facing the Company, the potential impact of these risks and the mitigating actions and controls in place are set out under the Section "Risk Management" of the Annual Report.

Internal controls and procedures are in place to mitigate the risks in relation to the various operations in which we are involved. The culture of risk awareness is being endangered within the Company and improved reporting processes are promoting

better anticipation of risks, leading to more timely corrective action. While the group suffered from a media campaign which had important reputational consequences, attention was devoted to the establishment of protocols to mitigate reputational and communication risk issues.

Whistleblowing

BLL is committed to the highest possible standards of openness, probity, accountability and ethics. In line with that commitment, employees and business partners, who have serious concerns about any aspect of the Company's affairs, are strongly recommended to report any suspected or presumed incidents of illegal behaviour in the activities of the Company or of serious misconduct or serious infringement of the rules, policies or guidelines to which the Company must adhere, or any action that is or could be harmful to the mission or reputation of the Company.

Procedures relevant to whistleblowing are set out in the Employee Handbook.

REPORTING WITH INTEGRITY

Financial and operational performance

The financial and operational performance of the Company is detailed in the section "Financial Indicators" of the Annual Report.

Environment

BLL is committed to sustainability and protecting the environment for future generations. As such, the Company ensures that it adheres to environmental regulations regarding emissions into the atmosphere as well as the quality of liquid industrial effluents disposed of through water courses.

Code of Ethics

BLL has no specific Code of Ethics other than the one integrated into the Employee Handbook but is committed to the highest standards of integrity and ethical conduct when dealing with all its stakeholders. The value system presently in place dictates that all employees maintain high standards of integrity and ethics when dealing with suppliers, tenants, business partners, government, other stakeholders and society at large.

Procedures relevant to Ethics are set out in the Employee Handbook.

Social Responsibility

BLL believes in the welfare of its employees. The Company strives to maintain a high standard of professionalism and its employees are thus encouraged to attend regular training and refresher courses.

BLL believes that the Company should provide an effective leadership based on ethical foundations and taking into account its stakeholders and the society as a whole. As such, it conducts its business activities in a responsible manner with due consideration to all its stakeholders including but not limited to its shareholders, employees, contractors, suppliers and the local community so as ensure the sustainability of the environment for the future.

Health and Safety

BlueLife believes in providing and maintaining a safe and healthy work environment for all its employees. The Group through its established policies encourages the enhancement of safety and health standards in the workplace.

AUDIT

Internal Audit

The Board recognizes its ultimate responsibility for the Group's system of internal control, which is designed to provide reasonable assurance against material misstatement and loss. The Company maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication. It also ensures compliance with internal procedures, statutory guidelines and regulations, accounting and financial reporting standards.

The internal audit function has been outsourced to Messrs. PwC and the audit plan covers the areas of risks that may arise in the business activities of the Group. Audit reports submitted by Messrs. PwC are circulated to the management and members of the Audit and Risk Committee. These reports are thereafter submitted to the Board for analysis and discussions. During the year under review, the scope of work of the internal audit covered the following areas:

- Report on the procurement review conducted in February 2017 at Radisson Blu Azuri Resort & Spa and Radisson Blu Poste Lafayette Resort & Spa.

- Report on the revenue cycle review conducted in February 2017 at Radisson Blu Azuri Resort & Spa and Radisson Blu Poste Lafayette Resort & Spa.
- Report on the follow up and control of actions taken by the management in response of the findings of previous four internal audits in 2016 and 2017 (namely Management of IT, HR and Payroll, Procurement and Revenue) conducted in September 2017 at Radisson Blu Azuri Resort & Spa and Radisson Blu Poste Lafayette Resort & Spa.

No restrictions have been placed on the right of access to the records, management and employees. The audit activities have been designed in accordance with International Standards of Auditing and the audit process involves the following:

- A pre-audit phase, which comprises the audit notification and the audit preparation;
- Fieldwork where audit tests target risk areas; and
- Reporting phase.

External Auditors

The Audit and Risk Committee is responsible for reviewing, with the external auditors, before the audit commences, the auditors' letter of engagement, the terms, nature and audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope. The external auditors have direct access to the Committee should they wish to discuss any matters privately. The current auditors have been appointed in 2013 and tenure in office will be reviewed in due course according to best practice.

The Committee is also responsible for monitoring the auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements and also for maintaining control over the provision of non-audit services, where applicable. The external auditors are prohibited from providing non-audit services where their independence might be compromised by later auditing their own work. Any other non-audit services provided by the external auditors are required to be specifically approved by the Audit and Risk Committee.

During the financial year 2017, other services provided by the external auditors related to the review of abridged financial statements, financial information for inclusion in the Prospectus issued to the shareholders in respect of the Rights Issue

CORPORATE GOVERNANCE REPORT

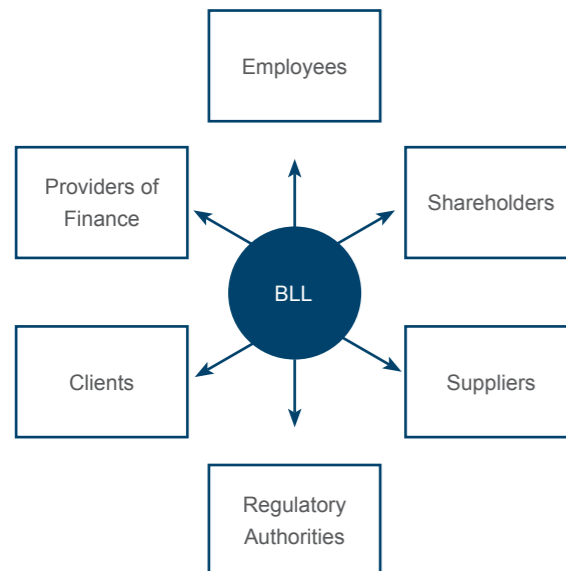
Auditors' Independence

The Board is responsible for the appointment and the removal of the external auditors. Audit fees are set in a manner that enables an effective external audit on behalf of shareholders. Auditors should ensure that they observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board recognises and values greatly the need to deliver a programme of engagement that offers all shareholders the opportunity to receive Company communications and to share their views with the Board. The Group has a diverse range of shareholders and investors and its website enables access to documents and communications as soon as they are published.

BLL's key stakeholders



Main shareholders (Pre-Rights Issue)

As at December 31, 2017, there were 2,975 shareholders recorded in the share register of the Company. Below is a list of the 10 largest shareholders as at that period.

Main Shareholders	Number of shares owned	% Holding
Actis Paradise Jersey Limited	137,934,082	32.429
GML Ineo Ltée	125,371,230	29.4754
IBL Ltd	35,974,333	8.4577
The Bee Equity Partners Ltd	7,306,390	1.7178
Stam Investment Limited	5,240,291	1.232
Mon Désir Limited	4,642,432	1.0915
Mon Souci Ltée	4,082,140	0.9597
Esperance Holding Ltd	2,962,011	0.6964
The MCB Ltd (A/C Compagnie du Vas Ltée)	2,932,174	0.6894
Mr. Marie Joseph Jean Lagesse	2,906,568	0.6833

Main shareholders (Post-Rights Issue)

As at March 5, 2018, there were 3,022 shareholders recorded in the share register of the Company. The 10 largest shareholders as at that period are set out below.

Main Shareholders	Number of shares owned	% Holding
IBL Ltd	225,818,948	34.4792
Actis Paradise Jersey Limited	137,934,082	21.0605
GML Ineo Ltée	125,371,230	19.1423
The Bee Equity Partners Ltd	7,306,390	1.1156
Mon Souci Ltée	6,285,679	0.9597
Stam Investment Limited	5,240,291	0.8001
Mon Désir Limited	4,642,432	0.7088
Espérance Holding Ltd	4,560,904	0.6964
The MCB Ltd (A/C Compagnie du Vas Ltée)	4,514,961	0.6894
Mr. M. J. Jean Lagesse	4,475,533	0.6833

Substantial shareholders

A substantial shareholder is defined as a person, in Mauritius or elsewhere, who holds by himself or by his nominee, a share or an interest in a share which entitles him to exercise not less than five per cent (5 %) of the aggregate voting power exercisable at the meeting of shareholders.

The substantial shareholders of BlueLife as at December 31, 2017, pre-Rights Issue were:

Name of Shareholder	Percentage Held (%)
Actis Paradise Jersey Limited	32.4290
GML Ineo Ltée	29.4754
IBL Ltd	8.4577

The substantial shareholders of BlueLife, post-Rights Issue were:

Name of Shareholder	Percentage Held (%)
IBL Ltd	34.4792
Actis Paradise Jersey Limited	21.0605
GML Ineo Ltée	19.1423

Shareholders' agreement

There exists no Shareholders' Agreement to the knowledge of the Company.

Breakdown of share ownership as at the date of this report

Number of Shareholders	Size of Shareholding	Number of Shares Owned	% of Total Issued Shares
480	1 - 500 shares	115,866	0.018
266	501 - 1,000 shares	219,044	0.033
739	1,001 - 5,000 shares	1,999,303	0.305
343	5,001 - 10,000 shares	2,505,571	0.383
728	10,001 - 50,000 shares	16,962,387	2.590
209	50,001 - 100,000 shares	14,641,920	2.236
157	100,001 - 250,000 shares	25,800,371	3.939
51	250,001 - 500,000 shares	17,228,204	2.630
49	Over 500,000 shares	575,469,433	87.866
Number of Shareholders	Size of Shareholding	Number of Shares Owned	% of Total Issued Shares
2,766	Individuals	100,609,428	15.362
6	Insurance and Assurance Companies	2,247,760	0.343
68	Pension and Provident Funds	4,444,296	0.679
41	Investment and Trust Companies	12,266,059	1.873
141	Other Corporate Bodies	535,374,556	81.744

Shares in Public Hands

In accordance with the Listing Rules of the Stock Exchange of Mauritius Ltd, the percentage shareholding of BlueLife in public hands as at December 31, 2017 stood at 37.16 % and Post-Rights Issue at 25.32%.

Communication with shareholders

The Company recognizes that good communication with its shareholders is core to any good governance platform and is committed to regular and proactive communications with its shareholders. The Company also ensures that the highest degree of transparency is maintained throughout the year. The Board thus ascertains that, at all times, there is sufficient disclosure of information to its shareholders so that they are kept fully informed of any information relating to the Company which is necessary to enable them to be apprised of the position of the Company. As such, the Company ensures that any major announcement in relation to the activities of the Company, interim quarterly financial statements or abridged audited annual financial statements, as required by the Listing Rules and the Securities Act are disclosed to the shareholders in a timely manner and posted on the website of the Company.

CORPORATE GOVERNANCE REPORT

Calendar of forthcoming shareholders' events

The calendar of important shareholders' events during the year are set out below:

Financial year end	December 31
Publication of Q1 results for the period ended 31 March 2018	May 2018
Sending of Annual Report	June 2018
Annual Meeting	June 2018

One of the most important shareholders' related events of the year is the Annual Meeting. This meeting allows the Board of Directors to communicate to the shareholders up-to-date and detailed information on the activities of the Company for the year under review and future projects or developments for the year ahead. The shareholders are therefore encouraged to attend the Annual Meeting and discuss with the Directors.

The external auditors also attend the Annual Meeting and are available to respond to queries which the shareholders may have with regard to their scope of work. Over and above the information on the Company's business activities provided in the Annual Report, information is also communicated, as and when required.

The shareholders entitled to receive notice of the meeting are those registered at close of business on May 30, 2018.

If a shareholder is unable to attend in person the Annual Meeting to be held on June 22, 2018, he may vote by proxy through an authorised person of his choice. The Proxy Form should be then deposited with the Share Registry and Transfer Office of the Company at least 24 hours before the holding of the meeting.

Share Registry and Transfer Office

Abax Corporate Administrators Ltd is the Share Registry and Transfer Office of the Company and is responsible for maintaining the Company's register of shareholders.

Any enquiries regarding the shareholding of the Company can be addressed, in writing, to Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 Cyber City, Ebène, Mauritius or alternatively, by telephone on (230) 403 6000.

Dividend Policy

The Company does not have any predetermined dividend policy and the dividend payout is subject to the performance of the Company. BLL did not declare any dividend for the year under review.

Approved by the Board of Directors on March 30, 2018 and signed on its behalf by



Sunil Banymandhub



Christine Marot

DIRECTORS' LIST OF EXTERNAL APPOINTMENTS

DIRECTORSHIPS OF KISHORE SUNIL BANYMANDHUB	
Name of Company	Director/ Alternate
BlueLife Limited *	Chairman
New Mauritius Hotels Ltd *	Director
MCB Group Ltd *	Director
Fincorp Investments Ltd *	Director
Gas Transport Ltd	Chairman
GPL Services Ltd	Chairman
Birla Sunlife AMC Ltd	Director
Actis LMKR Limited (up to December 2017)	Director
African Fabrics (Mauritius) Ltd	Director
Oriole Limited	Director
Ghana Airport City Development Limited	Director
Actis Boston Tower Development Limited	Director
Ruakara Diversified Investments Limited	Director
Actis Jabi Lake Mall Development Company Limited	Director
Actis Columbus (Mauritius) Limited	Director
Lantern (Mauritius) Limited	Director
Actis Investment Holdings Ship Limited	Director
Actis Finance (Mauritius) Limited	Director
Project Lantern (Project Co) Limited	Director
Actis Samba 3 Limited	Director
EMKH Feeder Limited	Director
Impact Group (Mauritius) Limited formerly known as Actis BFSI Sri Lanka Limited (Up to December 2017)	Director
Bolivar Power Holdings Limited	Director
Bolivar Project Finance Limited	Director
Impact Holdings (Mauritius S.A.) Limited	Director
Actis Holdings Ltd	Chairman
Actis AEM 3 PCC	Director
Actis Infrastructure India PCC Limited	Director
Actis 4 PCC	Director
Actis Americas Limited	Director
Actis Consumer (AEM General) Limited	Director
Actis Consumer (AEM3A) Limited	Director
Actis Consumer (AI3A) Limited	Director
Actis Consumer India Limited	Director
Actis Consumer South Asia Limited	Director
Actis Golf Holdco (Mauritius) Limited	Director
Actis Investment Holdings No.106 Limited	Director
Actis Investment Holdings No.80 Limited	Director
Actis Investment Holdings SL Limited	Director
Actis Marginal Holdco (Mauritius) Limited	Director
Actis Samba 4 Ltd	Director
Actis Trace (Mauritius) Limited	Director
Africa R.E.A.M. Limited	Director
Deorsa-Deocsa Holdings Limited	Director
Jabi Lake Mall (Jv) Limited	Director
Kasarani Holdco Mauritius Limited	Director
Kasarani Investment Holdings Limited	Director
Kasarani Commercial Developments Limited	Director
Marginal JV (Mauritius) Limited	Director
Actis Management Mauritius Limited	Director
Emerging Markets Knowledge Holdings Limited	Director
EMK Morocco Limited	Director
EMK Tunisia Limited	Director
EMK Egypt Limited	Director
EMK S.A. Limited	Director

CORPORATE GOVERNANCE REPORT

DIRECTORSHIPS OF JAN BOULLE

Name of Company	Director/ Alternate
ABAX Holding Ltd	Director
ABAX International Holding Ltd	Director
ABAX ESOS LTD	Director
ABAX Corporate Administrators Ltd	Director
CL Services Ltd	Director
Alteo Limited *	Director
Bloomage Ltd **	Director
BlueLife Limited *	Director
Camp Investment Company Ltd **	Director
Compagnie de la Vigie Limitée (Winding Up)	Director
Ecocentre Ltée	Director
Flacq Associated Stonemasters Limited **	Director
GML Finance Holding Ltd **	Director
GML Ineo Ltée	Director
GML Ltée	Chairman
Haute Rive Holdings Limited **	Director
IBL Life Ltd **	Director
IBL Link Ltd **	Director
IBL Ltd *	Chairman
IBL Management Ltd **	Director
Les Lycées Associés Ltée	Director
Manvest Ltd	Director
Mon Loisir Ltée	Director
Phoenix Beverages Ltd *	Director
Phoenix Investment Company Limited *	Director
Pick and Buy Limited **	Director
SPCB Ltd (Winding Up) **	Director
The Bee Equity Partners Ltd *	Director

DIRECTORSHIPS OF MICHELE ANNE ESPITALIER NOEL

Name of Company	Director/ Alternate
BlueLife Limited *	Director
Azuri Suites Ltd	Director
Azuri Estate Management Ltd	Director
Azuri Golf Management Ltd (formerly HR Educational Properties Ltd)	Director
Azuri Services Ltd	Director
Azuri Watch Ltd	Director
Circle Square Holding Company Ltd **	Director
Ocean Edge Property Management Company Ltd	Director
Haute Rive PDS Company Ltd	Director
HR Golf Holding Ltd (formerly HR Educational Holding Ltd)	Director
Life in Blue Limited **	Director
Les Hauts Champs 2 (formerly Riverside Centre Holding Company Ltd)	Director
Jemida Holdings Ltd	Director
Riverwalk Investment Ltd	Director

DIRECTORSHIPS OF RAVI PRAKASH HARDIN

Name of Company	Director/ Alternate
Bloomage Ltd **	Director
BlueLife Limited *	Director
The Ground Collaborative Space Ltd **	Director

DIRECTORSHIPS OF ARNAUD LAGESSE

Name of Company	Director/ Alternate
Alteo Energy Ltd **	Director
Alteo Milling Ltd **	Director
Sucrière des Mascareignes Limited	Chairman
Sukari Investment Company Limited	Chairman
TPC Limited	Alternate Director
Transmara Sugar Company Ltd	Director
Transmara Investment Limited	Chairman
The United Basalt Products Ltd *	Director
Lux Island Resorts Ltd *	Chairman
Beau Rivage Co. Ltd	Chairman
Blue Bay Tokey Island Limited	Chairman
FMM Ltée	Director
Holiday & Leisure Resorts Ltd	Director
Les Pavillons Resorts Ltd	Chairman
LTK Ltd	Chairman
Lux Hospitality Ltd	Chairman
Lux Island Resorts (UK) Limited	Director
Lux Island Resorts (Seychelles) Ltd	Director
Lux Island Resorts Maldives Ltd	Director
Lux Resorts Ltd	Director
Merville Beach Hotel Ltd	Chairman
Merville Limited	Chairman
MSF Leisure Company Ltd	Director
Nereide Limited	Chairman
Oceanide Limited	Chairman
Café LUX Ltd	Director
White Sand Resorts & Spa Pvt Ltd	Director
Abax Holding Ltd	Director
AfrAsia Investments Limited	Director
City Brokers Ltd	Chairman
CBL Africa Ltd	Director
Phoenix Beverages Limited *	Chairman
Camp Investment Company Ltd	Chairman
MBL Offshore Limited	Director
Phoenix Camp Minerals Overseas Ltd	Director
Phoenix Investment Company Ltd *	Chairman
Phoenix Management Company Ltd	Chairman
Rouclavier Ltée	Chairman
BlueLife Limited *	Director
Haute Rive Holdings Limited **	Chairman
Haute Rive IRS Company Ltd	Director
Haute Rive Ocean Front Living Limited	Director
PL Resort Ltd **	Director
IBL Ltd *	Director
Cosyclub Management Ltd	Chairman
Fondation Joseph Lagesse	Chairman
GML Ltée	Director
IBL Life Ltd **	Director
IBL Link Ltd **	Chairman
IBL Management Ltd **	Director
International Sugar Expertise & Management Ltd (ISEM)	Director
LCL-Cynologics Ltd	Director
SPCB Ltée (Winding Up)	Director
Mauritius Stationery Manufacturers Ltd	Director
Maustat Offshore Ltd	Director
Printvest Holding Ltd	Chairman

CORPORATE GOVERNANCE REPORT

DIRECTORSHIPS OF BENOIT LAGESSE

Name of Company	Director/ Alternate
IBL Ltd *	Director
BlueLife Limited *	Director
Compagnie Industrielle Alimentaire du Nord Ltée	Chairman
Compagnie Sucrière de St. Antoine	Director
GML Ineo Ltée	Chairman
Mon Loisir Ltée	Chairman
Mon Loisir Immobilier Ltée	Chairman
Mon Loisir Services & Conseils Ltée	Chairman
Mon Souci Limited	Director

DIRECTORSHIPS OF CHRISTINE MAROT

Name of Company	Director/ Alternate
BlueLife Limited *	Director
Azuri Golf Management Ltd (formerly HR Educational Properties Ltd)	Director
Azuri Estate Management Ltd	Director
Azuri Services Ltd	Director
Azuri Suites Ltd	Director
Azuri Watch Ltd	Director
Circle Square Holding Company Ltd **	Director
Haute Rive Holdings Limited **	Director
Haute Rive Ocean Front Living Ltd	Director
Haute Rive IRS Company Ltd	Director
Haute Rive Azuri Hotel Ltd	Director
Haute Rive PDS Company Ltd	Director
HR Golf Holding Ltd (formerly HR Educational Holding Ltd)	Director
Life in Blue Limited **	Director
Les Hauts Champs 2 (formerly Riverside Centre Holding Company Ltd)	Director
PL Resort Ltd **	Director
Chemin Rail & Amaury Housing Co Ltd	Chairperson
Fondation Joseph Lagesse	Director

DIRECTORSHIPS OF KEVINDRA TEEROOVENGADUM

Name of Company	Director/ Alternate
BlueLife Limited *	Director
Haute Rive Holdings Limited **	Director
Haute Rive IRS Company Limited	Director
Haute Rive Ocean Front Living Ltd	Director
Haute Rive Azuri Hotel Ltd	Chairman
PL Resort Ltd **	Chairman
CIEL Agro & Property Limited	Director
Ferney Limited	Director

DIRECTORSHIPS OF JEAN-LUC WILAIN

Name of Company	Director/ Alternate
BlueLife Limited *	Director
Chantier Naval de l'Océan Indien Ltée	Director
CNOI Investissements Ltd	Director
Construction and Material Handlings Company Ltd	Director
IBL Gabon Investments Ltd	Director
I-CONSULT Ltd	Director
Industrie et Service de l'Océan Indien	Director
I-TELECOM Ltd	Director
Manser Saxon Contracting Ltd	Director
Manser Saxon Openings Ltd	Director
Manser Saxon Plumbing Ltd	Director
Manser Saxon Training Services Ltd	Director
Mauritian Coal & Allied Services Co Ltd	Chairman
Riche Terre Development Ltd	Director
SCOMAT Ltée	Director
Seafood Hub Ltd	Director
Trois Ilots Ltd	Director
Proximed Ltd	Director
Intergraph Ltée **	Director
Intergraph Editions Ltée	Director
Intergraph Africa Ltd	Director
Port Louis Development Initiative(PLDI)	Director

Note: Mr. Christophe Barge and Mrs. Isabelle de Gaalon Decaillet do not hold any other directorship.

* Listed companies

** Subsidiary of listed companies

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act)

Name of PIE: BlueLife Limited

Reporting Period: December 31, 2017

We, the Directors of BlueLife Limited, confirm that to the best of our knowledge, the Company has not fully complied with the principles of the Code of Corporate Governance, for the reasons stated below:

	Areas of non-application of the Code	Explanation for non-application
Principle 1	Reassessment of Charters by the Board.	The frequency at which the Board will assess the Charters has not yet been discussed at the time of publication of this Annual Report.
	Approval of the Code of Ethics	A Code of Ethics will be considered during the next financial year.
Principle 2	Composition of Audit Committee: Chairperson of the Audit Committee is not an independent director.	The Board considers that the latter has substantial accounting and financial experience to chair the Committee.
	Affirmation that Directors do not have a relationship with the organisation.	Out of the 11 Directors, 4 are executives and/or Directors of IBL Ltd, a related party and the major shareholder of the Company.
Principle 3	The Succession plan has not been disclosed in the Corporate Governance Report.	The succession plan of the Company will be considered during the next financial year.
Principle 4	The Board has not conducted an evaluation of the effectiveness of the Board, its committees and its individual directors.	In view of the recent Board changes, an evaluation exercise will be conducted at a later stage.
	Total remuneration on an individual basis not disclosed.	For reasons of confidentiality and due to commercial sensitivity of the information, total remuneration on an individual basis has not been disclosed.
Website	The website does not contain all the required disclosures.	The website is currently being redesigned.



Sunil Banymandhub

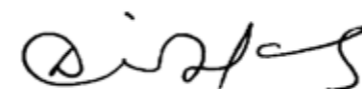
March 30, 2018



Christine Marot

COMPANY SECRETARY'S CERTIFICATE

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required under the Companies Act 2001.



Doris Dardanne, FCIS
Per IBL Management Ltd
Company Secretary

March 30, 2018

STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)

Principal Activities

The principal activities of BlueLife Limited are land promotion, property development and hotel and leisure.

Directors

The name of the Directors of the Company and its subsidiaries as at December 31, 2017 were as follows:

Name of Subsidiary	Name of Director	Date of Appointment during the financial year 2017	Date of Resignation during the financial year 2017
BlueLife Limited	Sunil Banymandhub		
	Christophe Barge		
	Michele Anne Espitalier Noel		
	Arnaud Lagesse		
	Yannick Lagesse		19/01/17
	Christine Marot		
	Louis Mynhardt		
Azuri Golf Management Ltd (formerly HR Educational Properties Ltd)	Thierry Lagesse		12/05/17
	Christine Marot	10/05/17	
Azuri Estate Management Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
	Maxime Hardy		17/05/17
Azuri Services Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
Azuri Suites Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
Azuri Watch Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
	Maxime Hardy		17/05/17
Circle Square Holding Company Ltd	Michele Anne Espitalier Noel		
	Christine Marot		
	Kevin Teeroovengadam		22/11/17
Haute Rive Azuri Hotel Ltd	Olivier Fayolle		
	Dev Gopy		29/05/17
	Thierry Lagesse		
	Christine Marot		
	Louis Mynhardt		
Haute Rive Holdings Ltd	Kevin Teeroovengadam		
	Jan Boullé		
	Arnaud Lagesse		
	Thierry Lagesse		
	Christine Marot		
Haute Rive Holdings Ltd	Louis Mynhardt		
	Kevin Teeroovengadam		

Name of Subsidiary	Name of Director	Date of Appointment during the financial year 2017	Date of Resignation during the financial year 2017
Haute Rive IRS Company Limited	Arnaud Lagesse		
	Thierry Lagesse		
	Christine Marot		
	Kevin Teeroovengadam		
Haute Rive Ocean Front Living Ltd	Arnaud Lagesse		
	Thierry Lagesse		
	Christine Marot		
	Kevin Teeroovengadam		
Haute Rive PDS Company Ltd	Michele Anne Espitalier Noel	03/05/17	
	Christine Marot	03/05/17	
HR Golf Holding Ltd (formerly HR Educational Holding Ltd)	Thierry Lagesse		11/05/17
	Christine Marot	08/05/17	
Les Hauts Champs 2 Ltd (formerly Riverside Centre Holding Company Ltd)	Michele Anne Espitalier Noel		
	Christine Marot		
Life in Blue Limited	Michele Anne Espitalier Noel		
	Christine Marot		
	Nicolas Rey	21/08/17	
	Sebastien Bax de Keating	21/08/17	
	Gregory Mayer	21/08/17	
Ocean Edge Property Management Company Ltd	Harold Mayer	21/08/17	
	Michele Anne Espitalier Noel		
PL Resort Ltd	Olivier Fayolle		
	Arnaud Lagesse		
	Thierry Lagesse		
	Christine Marot		
	Louis Mynhardt		
	Kevin Teeroovengadam		

STATUTORY DISCLOSURES

Directors' and Senior Officers' Interests in Shares

No debt securities are issued by the Company. The direct and indirect interests of the Directors and the Senior Officers in the equity securities of the Company as at December 31, 2017 were as follows:

Directors	Direct Interest		Indirect Interest
	Shares	%	%
Arnaud Lagesse	-	-	0.4162
Christophe Barge	-	-	-
Sunil Banymandhub	-	-	-
Michele Anne Espitalier Noel	500	0.0001	-
Christine Marot	-	-	-
Louis Mynhardt	-	-	-
Kevindra Teeroovengadam	-	-	-
Senior Officers			
IBL Management Ltd	-	-	-
Hugues Lagesse	-	-	0.4192
Brent Harris	-	-	-

Directors' Remuneration and Benefits

Total remuneration and benefits received by the Directors from the Company and its subsidiaries were:

	From the Company		From Subsidiaries	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Executive	14,289,432	12,399,218	-	-
Non-Executive	1,775,000	1,690,000	1,000,000	1,050,000

Directors' service contracts

None of the Directors of the Company and of its subsidiary companies have service contracts that need to be disclosed under section 221 of the Companies Act.

Contract of significance

There exists no contract of significance, save as disclosed above, between the Company and its Directors.

Directors' Insurance

The Directors benefit from an indemnity insurance to cover the liabilities which may be incurred while performing their duties to the extent permitted by law.

Political and Charitable Donations

BLL did not make any political or charitable donations during the year under review.

Auditors' remuneration

For the year under review, the fees paid to the Auditors for audit services and non-audit services were as follows:

	Audit Services	
	2017	2016
	Rs.	Rs.
BDO & Co		
The Company	780,000	780,000
Subsidiaries of the Company		
• PL Resort Ltd	225,000	225,000
• Circle Square Holding Company Ltd	85,000	85,000
• Haute Rive Holdings Ltd	105,000	105,000
• Haute Rive Azuri Hotel Ltd	225,000	225,000
• Haute Rive IRS Company Limited	105,000	105,000
• Haute Rive Ocean Front Living Ltd	75,000	105,000
• Haute Rive PDS Ltd	50,000	-
• Ocean Edge Property Management Company Ltd	75,000	75,000
• Azuri Services Ltd	75,000	60,000
• Azuri Estate Management Ltd	75,000	75,000
• Azuri Suites Ltd	67,500	67,500
• Azuri Watch Ltd	25,000	-
• HR Golf Holding Ltd	25,000	-
• Les Hauts Champs 2 Ltd	25,000	-

	Details of Services	Audit Firm	Non-Audit Services	
			2017	2016
			Rs.	Rs.
The Company	Internal Audit	PwC	200,000	400,000
	Consultancy	BDO & Co	150,000	150,000
	Rights Issue: Limited Review	BDO & Co	205,000	-
	Rights Issue: Transaction Advisory Fees	BDO & Co	500,000	-
Subsidiaries of the Company	Internal Audit	PwC	400,000	-
	Rights Issue: Limited Review	BDO & Co	605,000	-

The External Auditors, BDO & Co, have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted to the approval by the shareholders of the Company at its forthcoming Annual Meeting.

Approved by the Board on March 30, 2018 and signed on its behalf by



Sunil Banymandhub



Christine Marot

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BlueLife Limited

This report is made solely to the members of BlueLife Limited (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of BlueLife Limited and its subsidiaries (the "Group"), and the Company's separate financial statements on pages 80 to 136 which comprise the statements of financial position as at December 31, 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 80 to 136 give a true and fair view of the financial position of the Group and of the Company as at December 31, 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matters of the Group and the Company are detailed below:

	KEY AUDIT MATTER	AUDIT RESPONSE
Valuation of Goodwill Refer to note 7 of the accompanying financial statements.	<p>Management tests goodwill for impairment annually, and assesses whether there are events or changes in circumstances indicating that the carrying value may be impaired. This test and assessment are largely based on management expectations and estimates of future results of the cash generating units of which the entities acquired in the past form part.</p> <p>During the year ended December 31, 2017, an impairment charge of Rs.61.9m for the Group and Rs. 21.3m for the Company has been accounted in the profit or loss.</p>	<p>In our audit approach, we reviewed the analysis of possible indications of impairment and discussed it with management. We reviewed the recoverable amount calculations and reconciled them with expected cash flows as included in the forecast. We also discussed the forecasts for the assets concerned with management, and reviewed the substantiation of the forecasts based on historical information and concluded contracts.</p>
Revenue recognition Refer to notes 2(a) and 18 of the accompanying financial statements.	<p>Revenue is an important measure used to evaluate the performance of the Group and the Company. There is a risk that the revenue is presented for amounts higher than what has been actually generated by the Group and the Company. Consequently, we considered revenue recognition to be a significant key audit matter. Revenue from sale of goods and services is measured at the fair value of the consideration received or receivable, after eliminating sales within the Group. Revenue from sale of properties are recognised based on a percentage of completion method as construction progresses.</p>	<p>Our audit procedures to address the risk of material misstatement relating to revenue recognition include:</p> <ul style="list-style-type: none"> • Testing of design, existence and operating effectiveness of internal control procedures implemented as well as test of details to ensure accurate processing of revenue transactions; • Reviewing the terms and conditions of the agreement with the buyer to determine the accounting treatment with regards to recognition of revenue, that is either based on percentage completion or revenue recognition at completion; • Ensuring completeness of income through substantive tests performed, analytical review procedures and cut off tests on revenue recognised.

INDEPENDENT AUDITOR'S REPORT

The Key Audit Matters of the Group are detailed below:

	KEY AUDIT MATTER	AUDIT RESPONSE
<p>Compliance with debt covenant requirements</p> <p>Refer to notes 2.1 and 15 of the accompanying financial statements.</p>	<p>As at December 31, 2017, three of the subsidiaries of the Group were in breach of certain banking covenants and as such, bank loans amounting to Rs.534.5m for the Group were classified as current borrowings. The adequate disclosure of the amount in breach of banking covenants were considered a key audit matter. In addition, we consider compliance with debt covenant requirements a key audit matter as this is part of management's assessment of the going concern assumption as such breaches technically gave the right to the Group's lenders to accelerate repayment before scheduled maturity.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Discussing with management on the continued support of the lenders. • Management confirmed that no such acceleration has taken place as of the date of authorisation of the financial statements. • We have also obtained management representation on this matter.
<p>Fair Value of Investment Properties</p> <p>Refer to note 6 of the accompanying financial statements.</p>	<p>The Group's investment properties of Rs.951.5m, representing 46.6% of its owners' interests, have been carried at fair value, with changes in fair value being recognised in profit or loss.</p> <p>The Group's investment properties have been fair valued either by independent valuation specialists, by Directors or based on latest sales price, as detailed in note 6.</p> <p>When determining the valuation of investment properties, estimates have been developed by the independent valuation specialists and Directors based on the most appropriate source data and are subject to significant judgement.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> • Reviewing the data used by the valuer in their valuation by: <p>Comparing the current year (2017) actual results with the figures included in the prior year (2016) forecast to consider whether any forecasts included assumptions that, with hindsight, had been optimistic. We found that actual performance was consistent with forecast performance.</p> <p>Challenging the assumptions used by the independent valuation specialists and Directors.</p> <ul style="list-style-type: none"> • Where recent transaction price have been used for valuing remaining plot of bare land, we have recomputed the value based on latest sales price.

The Key Audit Matters of the Company are detailed below:

	KEY AUDIT MATTER	AUDIT RESPONSE
<p>Assessment of Impairment – Investment of Subsidiaries</p> <p>Refer to note 10 of the accompanying financial statements.</p>	<p>The Company's investment in subsidiaries amounted to Rs.2,302m net of impairment, representing 105.2% of net assets of the Company. We focused on this area due to the size of the investment balance and because the Company's assessment of the 'value in use' of the subsidiaries involves judgements about the future results of the business and the discount rates applied to future cash flow forecasts.</p> <p>The Company's management performed an assessment of impairment of the subsidiaries' investment by:</p> <ul style="list-style-type: none"> • Comparing some subsidiaries' book values with their net asset values and/or value in use. • Comparing some subsidiaries' book values with their net asset values and/or value in use. 	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> • Reviewing the data used by the valuer in their valuation. We evaluated the subsidiaries' cashflow forecasts and the process by which they were developed, including considering the mathematical accuracy of the underlying calculations. • Challenging management with: <ul style="list-style-type: none"> - the key assumptions for growth rates in the forecasts by comparing them to historical results. - the discount rate used in the model by assessing the cost of capital for the Company by comparing it to market data and industry research.
<p>Recoverability of receivables from related parties</p> <p>Refer to note 12 of the accompanying financial statements.</p>	<p>The Company had receivable from related parties of Rs.303.3m as at December 31, 2017.</p> <p>We focused on this area since the level of provisions for bad debts are considered to be a significant risk due to the pervasive nature of these balances to the financial statements, and the importance of cash collection with reference to the working capital management of the business.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> • Assessing and challenging management's view of recoverability and questioning management's knowledge of future conditions that may impact expected receipts. • Discussed, evaluated and concluded with management that possible cash streaming will be available from the related companies to repay these debts.

Other information

The directors are responsible for the other information. The other information comprises the Directors' responsibilities in respect of the Annual Report, Directors' list of external appointments, statement of compliance, statutory disclosures and company secretary's certificate which we obtained prior to the date of this auditor's report. It also includes other reports to be included in the Annual Report which are expected to be made available after that date. The other information, does not include the consolidated and separate financial statements, the Corporate Governance Report and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Corporate Governance report, Statement of Compliance and Statutory disclosures that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

When we read the other statements which will be made available to us after that date, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors and dealings in the ordinary course of business.

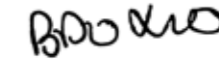
We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The Directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.



BDO & CO
Chartered Accountants

Port Louis,
Mauritius.

May 30, 2018



Rookaya Ghanty, FCCA
Licensed by FRC

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017

Notes	THE GROUP		THE COMPANY		
	2017	2016	2017	2016	
	Rs.	Rs.	Rs.	Rs.	
ASSETS					
Non-current assets					
Property, plant and equipment	5	1,145,026,294	1,181,462,950	2,531,499	3,023,166
Investment properties	6	951,507,671	1,075,965,159	136,526,900	142,446,219
Intangible assets	7	143,296,968	209,598,344	17,149,696	39,036,353
Land and related development costs	9	1,611,831,529	1,634,425,724	-	36,222,387
Investment in subsidiaries	10	-	-	2,302,477,749	2,312,079,944
Deferred tax assets	16	48,395,914	40,578,363	359,802	-
Non-current receivables	31	1,320,000	1,000,000	36,122,387	-
		3,901,378,376	4,143,030,540	2,495,168,033	2,532,808,069
Current assets					
Inventories	8	10,982,349	27,731,559	-	-
Land and related development costs	9	199,521,365	286,641,316	-	-
Trade and other receivables	12	257,780,874	121,226,433	320,897,697	260,812,959
Cash and cash equivalents	29(b)	89,101,154	158,810,968	1,410,239	63,425
		557,385,742	594,410,276	322,307,936	260,876,384
Non-current assets classified as held for sale	11	62,000,000	276,614,300	-	276,614,300
		Rs. 4,520,764,118	5,014,055,116	2,817,475,969	3,070,298,753
EQUITY AND LIABILITIES					
Capital and reserves (attributable to owners of the parent)					
Stated capital	14	3,027,298,338	3,027,298,338	3,027,298,338	3,027,298,338
Other reserves		26,080,000	26,080,000	-	-
Actuarial reserves		(323,052)	(2,485,539)	1,253,431	(1,186,976)
Revenue deficit		(1,011,343,253)	(757,086,172)	(840,794,560)	(680,663,560)
Owners' interests		2,041,712,033	2,293,806,627	2,187,757,209	2,345,447,802
Non-controlling interests		(27,607)	30,409,823	-	-
Total equity		2,041,684,426	2,324,216,450	2,187,757,209	2,345,447,802
LIABILITIES					
Non-current liabilities					
Borrowings	15	488,570,757	666,763,252	330,995	123,167,232
Retirement benefit obligations	13	5,941,476	5,994,255	1,146,435	1,989,818
Deferred tax liabilities	16	-	10,362,529	-	10,362,528
		494,512,233	683,120,036	1,477,430	135,519,578
Current liabilities					
Trade and other payables	17	463,701,864	585,396,881	68,287,548	52,581,162
Income tax liability	25	9,054,353	-	-	-
Borrowings	15	1,511,811,242	1,421,321,749	559,953,782	536,750,211
		1,984,567,459	2,006,718,630	628,241,330	589,331,373
Total liabilities		2,479,079,692	2,689,838,666	629,718,760	724,850,951
Total equity and liabilities	Rs.	4,520,764,118	5,014,055,116	2,817,475,969	3,070,298,753

These financial statements have been approved for issue by the Board of Directors on 30 Mar 2018



Sunil Banyamdhub



Christine Marot

The notes on pages 84 to 136 form an integral part of these financial statements.

Auditor's report on pages 74 to 79.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2017

Notes	THE GROUP		THE COMPANY		
	2017	2016	2017	2016	
	Rs.	Rs.	Rs.	Rs.	
Revenue	18	1,300,451,987	1,445,923,662	292,929,116	36,462,568
Cost of sales	19	(931,219,595)	(1,226,697,858)	(290,445,015)	(16,753,917)
Gross profit		369,232,392	219,225,804	2,484,101	19,708,651
Other income	20	18,180,179	32,425,079	31,239,972	27,930,336
Other (losses)/gains - net	26	(402,421)	3,805,532	-	-
Selling and marketing expenses	19	(23,578,907)	(21,964,224)	-	-
Administrative expenses	19	(366,891,375)	(381,915,038)	(120,571,724)	(105,325,154)
Other operating expenses	19	(7,056,274)	(9,399,118)	(1,878,398)	(3,442,780)
		(10,516,406)	(157,821,965)	(88,726,049)	(61,128,947)
Net decrease in fair value of investment properties	6	(42,295,596)	(63,121,516)	(6,019,319)	(3,666,864)
Impairment charges	24	(61,875,957)	(207,764,260)	(35,672,685)	(119,935,366)
Finance costs	21	(161,915,667)	(168,221,648)	(42,830,474)	(45,433,043)
Loss before taxation	23	(276,603,626)	(596,929,389)	(173,248,527)	(230,164,220)
Income tax (charge)/credit	25	(1,101,275)	(9,524,154)	558,003	33,809
Loss for the year from continuing operations		(277,704,901)	(606,453,543)	(172,690,524)	(230,130,411)
(Loss)/profit from discontinued operations net of tax	11	(6,912,349)	(39,757,771)	12,559,524	(29,783,112)
Loss for the year		(284,617,250)	(646,211,314)	(160,131,000)	(259,913,523)
Other comprehensive income for the year, net of tax					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurements of post employment benefit obligations	27	2,085,226	(2,511,907)	2,440,407	(408,438)
Total comprehensive income for the year	Rs.	(282,532,024)	(648,723,221)	(157,690,593)	(260,321,961)
Loss attributable to:					
Owners of the parent		(254,257,081)	(575,941,505)	(160,131,000)	(259,913,523)
Non-controlling interests		(30,360,169)	(70,269,809)	-	-
	Rs.	(284,617,250)	(646,211,314)	(160,131,000)	(259,913,523)
Total comprehensive income attributable to:					
Owners of the parent		(252,094,594)	(577,648,506)	(157,690,593)	(260,321,961)
Non-controlling interests		(30,437,430)	(71,074,715)	-	-
	Rs.	(282,532,024)	(648,723,221)	(157,690,593)	(260,321,961)
Loss per share (Rs/cs)					
- From continuing and discontinued operations	28	(0.598)	(1.354)	(0.376)	(0.611)
- From continuing operations	28	(0.582)	(1.261)	(0.406)	(0.541)

The notes on pages 84 to 136 form an integral part of these financial statements.

Auditor's report on pages 74 to 79.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2017

THE GROUP	Notes	Attributable to owners of the parent						
		Stated capital	Other reserves	Actuarial reserves	Revenue deficit	Total	Non-controlling interests	Total Equity
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At January 1, 2017		3,027,298,338	26,080,000	(2,485,539)	(757,086,172)	2,293,806,627	30,409,823	2,324,216,450
Loss for the year		-	-	-	(254,257,081)	(254,257,081)	(30,360,169)	(284,617,250)
Other comprehensive income for the year	27	-	-	2,162,487	-	2,162,487	(77,261)	2,085,226
Total comprehensive income for the year		-	-	2,162,487	(254,257,081)	(252,094,594)	(30,437,430)	(282,532,024)
At December 31, 2017	Rs.	3,027,298,338	26,080,000	(323,052)	(1,011,343,253)	2,041,712,033	(27,607)	2,041,684,426
At January 1, 2016		3,027,298,338	26,080,000	(778,538)	(181,144,667)	2,871,455,133	101,484,538	2,972,939,671
Loss for the year		-	-	-	(575,941,505)	(575,941,505)	(70,269,809)	(646,211,314)
Other comprehensive income for the year	27	-	-	(1,707,001)	-	(1,707,001)	(804,906)	(2,511,907)
Total comprehensive income for the year		-	-	(1,707,001)	(575,941,505)	(577,648,506)	(71,074,715)	(648,723,221)
At December 31, 2016	Rs.	3,027,298,338	26,080,000	(2,485,539)	(757,086,172)	2,293,806,627	30,409,823	2,324,216,450

THE COMPANY	Notes	Stated capital	Actuarial reserves	Revenue deficit	Total
		Rs.	Rs.	Rs.	Rs.
		At January 1, 2017	3,027,298,338	(1,186,976)	(680,663,560)
Loss for the year	-	-	(160,131,000)	(160,131,000)	
Other comprehensive income for the year	27	-	2,440,407	-	2,440,407
Total comprehensive income for the year		-	2,440,407	(160,131,000)	(157,690,593)
At December 31, 2017	Rs.	3,027,298,338	1,253,431	(840,794,560)	2,187,757,209
At January 1, 2016		3,027,298,338	(778,538)	(420,750,037)	2,605,769,763
Loss for the year		-	-	(259,913,523)	(259,913,523)
Other comprehensive income for the year	27	-	(408,438)	-	(408,438)
Total comprehensive income for the year		-	(408,438)	(259,913,523)	(260,321,961)
At December 31, 2016	Rs.	3,027,298,338	(1,186,976)	(680,663,560)	2,345,447,802

The notes on pages 84 to 136 form an integral part of these financial statements.
Auditor's report on pages 74 to 79.

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017

Notes	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities				
Cash (absorbed in)/ generated from operations	29(a) (45,501,289)	306,166,393	(129,557,481)	22,246,508
Interest paid	(181,206,136)	(178,882,503)	(26,812,995)	(51,057,352)
Interest received	839,512	7,223,546	-	58,511
Net cash (used in)/from operating activities	(225,867,913)	134,507,436	(156,370,476)	(28,752,333)
Cash flows from investing activities				
Purchase of property, plant and equipment, net	(5,831,489)	(10,021,061)	(460,006)	(315,528)
Purchase of intangible assets	(200,000)	(876,525)	(65,000)	(80,500)
Purchase of investment	-	-	(4,502,721)	-
Expenditure incurred for investment properties and non-current receivables	(5,048,053)	-	-	-
Net proceeds from disposal of assets classified as held for sale	262,783,585	19,020,000	262,783,585	19,020,000
Proceeds from disposal of property, plant and equipment	86,957	24,778	-	-
Net cash from investing activities	251,791,000	8,147,192	257,755,858	18,623,972
Cash flows from financing activities				
Net proceeds from borrowings	-	52,466,697	-	30,001,100
Payment on borrowings	(132,607,740)	(52,938,097)	(116,345,408)	(25,457,187)
Finance lease capital repayment	(1,819,285)	(2,050,161)	-	-
Net cash (used in)/from financing activities	(134,427,025)	(2,521,561)	(116,345,408)	4,543,913
Net (decrease)/increase in cash and cash equivalents	Rs. (108,503,938)	140,133,067	(14,960,026)	(5,584,448)
Movement in cash and cash equivalents				
At January 1,	(244,394,342)	(387,273,549)	(255,425,277)	(249,822,963)
Effect of foreign exchange difference	(1,259,480)	2,746,140	(2,902)	(17,866)
(Decrease)/increase	(108,503,938)	140,133,067	(14,960,026)	(5,584,448)
At December 31,	29(b) Rs. (354,157,760)	(244,394,342)	(270,388,205)	(255,425,277)

The notes on pages 84 to 136 form an integral part of these financial statements.
Auditor's report on pages 74 to 79.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

1. GENERAL INFORMATION

BlueLife Limited (the "Company") is a public company limited by shares, incorporated and domiciled in Mauritius. Its registered office is situated at Circle Square Retail Park, Forbach, Mauritius.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of BlueLife Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the "Group") and the separate financial statements of the parent company (the "Company"). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest Rupee, except when otherwise indicated.

Where necessary, comparative figures have been amended to conform with changes in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

- (i) land and buildings are carried at revalued amounts;
- (ii) investment properties are stated at fair value; and
- (iii) relevant financial assets and liabilities are carried at amortised cost.

The Group had revenue deficit of Rs.1,011 million and net current liabilities of Rs.1,427 million and the Company had revenue deficit Rs.840.8 million and net current liabilities of Rs.305.9 million as at December 31, 2017. In preparing the financial statements, the Board of Directors have given careful consideration to the liquidity of the Group and the Company having regards to:

- (1) The rights issue of Rs 450m completed in February 2018 contributed to the reduction of the group gearing as well as to working capital needs.
- (2) Cash generation from sale The Riviera Villas Project, which will be completed at the beginning of 2018 under Haute Rive IRS Company Ltd (HRIRS), will contribute towards the cash needs of HRIRS and reduce its indebtedness. The infrastructure cost in relation to this project had been supported in Azuri Phase 1 and will be recovered. Dividends flowing from HRIRS will contribute to reduce cash and revenue deficits at company level as from 2018.
- (3) Master plan implementation is under way with launching of Golf View Villas, Ennea Villas and the launch of more residential components in 2018. This will create value through cash and revenue generation thereby contributing in bringing the holding company back in positive retained earnings. These projects will include sale of land as well as development of a golf and new residential units.
- (4) Contemplated monetization plan on disposal of non-core assets having achieved maturity level.
- (5) Continued support from lenders through capital moratorium and rescheduling of repayment terms of loans of certain subsidiaries.

The Board of Directors are confident that the Group would continue as a going concern in the foreseeable future and they consider it appropriate to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Amendments to published Standards effective in the reporting period

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12). The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The amendment has no impact on the Group's financial statements.

Disclosure Initiative (Amendments to IAS 7). The amendments require the entity to explain changes in its liabilities arising from financing activities. This includes changes arising from cash flows (eg drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. A reconciliation of the opening and closing carrying amounts for each item for which cash flows have been or would be classified as financial activities is presented in note 29(c).

Annual Improvements to IFRSs 2014-2016 Cycle

IFRS 12 Disclosure of Interests in Other Entities. The amendments clarify that entities are not exempt from all of the disclosure requirements in IFRS 12 when entities have been classified as held for sale or as discontinued operations. The amendment has no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2018 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 16 Leases

Clarifications to IFRS 15 Revenue from Contracts with Customers

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

Annual Improvements to IFRSs 2014-2016 Cycle

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Transfers of Investment Property (Amendments to IAS 40)

IFRS 17 Insurance Contracts

IFRIC 23 Uncertainty over Income Tax Treatments

Prepayment Features with negative compensation (Amendments to IFRS 9)

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)

Annual Improvements to IFRSs 2015-2017 Cycle

Where relevant, the Group is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.2 Property, plant and equipment

Land and buildings, held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, based on periodic valuations, by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholder's equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to profit or loss.

Each year, the depreciation based on the revalued carrying amount of the asset charged to the profit or loss and depreciation based on the asset's original cost is transferred from revaluation surplus to retained earnings.

Properties in the course of construction for production or administrative purposes or purposes not yet determined are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs are capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives at the following rates:

- Buildings	2%
- Plant and equipment	10% - 30%
- Furniture, Fixtures and equipment	20% - 25%
- Motor vehicles	20% - 25%

Freehold land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Investment property

Investment property, held to earn rentals or for capital appreciation or both and not occupied by the Group, is carried at fair value, representing the open-market value. Changes in fair values are included in the profit or loss. The fair value of certain investment properties are determined by independent valuation specialists while that of others are determined by the directors of the Group.

Properties that are under construction or development to earn rentals or for capital appreciation or both is accounted as investment property. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2.4 Intangible assets

(a) Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested annually for impairment.

Goodwill is allocated to cash generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

(b) Leasehold rights

Leasehold rights represent the amount paid to acquire the rights to the lease of land and is amortised over the period of the lease, that is, 60 years.

(c) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using straight line method over their estimated useful lives of 3 to 4 years.

Costs associated with developing and maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

2.5 Investment in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the investor, investments in subsidiaries are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (cont'd)

Consolidated financial statements (cont'd)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

The excess, of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entities or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.6 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Financial assets

(a) *Categories of financial assets*

The group classifies its financial assets as loans and receivables. The classification depends on the purpose for which it was made. Management determines the classification of their financial assets at initial recognition.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The Group's loans and receivables comprise of cash and cash equivalents, non-current receivables and trade and other receivables.

Non current receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment.

Loans and receivables are carried at amortised cost using effective interest method.

(b) *Impairment of financial assets*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.8 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in profit or loss.

2.9 Trade and other payables

Trade and other payables are stated at fair value and are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period date.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statements of financial position.

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

2.13 Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Mauritian rupees, which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other gains and losses - net'.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

2.15 Leases

(a) Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(b) Accounting for leases - where Group is the lessee

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss unless they are attributable to qualifying assets in which case, they are capitalised in accordance with the policy on borrowing costs.

(c) Accounting for leases - where Group is the lessor

Assets leased out under operating leases are included in investment property in the statements of financial position. They are carried at fair value, as determined by external valuers. Rental income is recognised in line with the relevant lease terms.

(d) Operating leases - where Group is the lessor

Payments under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Retirement benefit obligations

(a) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates a defined contribution retirement benefit plan for all qualifying employees. Payments to defined contribution retirement plans are charged as an expense as they fall due.

(b) Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements are accumulated in a separate reserve and will not be reclassified to profit or loss in a subsequent period.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising of the current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

(c) Retirement gratuity

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Employment Rights Act 2008 is calculated and provided for. The obligations arising under this item are not funded.

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first out (FIFO) method. The cost of consumables comprises of purchase cost and other direct costs but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.18 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered, stated net of discounts, returns, value added taxes, rebates and other similar allowances and after eliminating sales within the Group.

(a) Sale of goods

Sales of goods are recognised when the goods are delivered and titles have passed, at which time all of the following conditions are satisfied:

- the Group has transferred, to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(b) Rendering of services

Revenue from rendering of services are recognised in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

(c) Other revenues earned by the Group are recognised on the following bases:

- Rental income from investment property - recognised in profit or loss on an accrual basis in accordance with the rental agreement.
- Interest income - recognised on a time proportion basis using the effective interest method.
- Dividend income - when the shareholder's right to receive payment is established.

(d) Sale of completed property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

(e) Sale of property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises:

- A contract to construct a property, or
- A contract for the sale of a completed property

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land on which the development is taking place is owned by the final customer, and;
- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically when the buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed.

2.21 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources, that can be reliably estimated, will be required to settle the obligation.

2.23 Segment reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred.

2.24 Land and related development costs

Land and related development costs consist of cost of land, infrastructural and other development expenditures. These land and related development costs are released to profit or loss as and when sale or disposal is being effected, that is, when risks and rewards pass on to buyers.

Land and related development costs are classified under current assets when completion is imminent and the assets are likely to be disposed of within the next financial year. Otherwise, it is classified under non-current assets.

The Group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the costs incurred up to the end of the reporting period as a percentage of total estimated costs for each project (or by reference to surveys of work performed or completion of a physical proportion of the contract work). Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for work in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'.

The Group presents as a liability the gross amount due to customers for all work in progress for which progress billings exceed costs incurred plus recognised profits/(losses).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

(i) Currency risk

The Group is exposed to foreign exchange risk arising from currency exposures primarily with respect to the USD, EURO, ZAR and GBP. Foreign exchange risk arises from future currency exposures, commercial transactions and recognised assets and liabilities.

Management has set up a policy to require the Group to manage its foreign exchange risk exposure with treasury performed by IBL Treasury Management Ltd.

Currency profile

The currency profile of the Group and the Company's financial assets and liabilities are summarised below:

THE GROUP	2017		2016	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
MUR	251,999,255	2,293,857,121	182,153,389	2,432,882,524
USD	36,156,302	63,499	60,038,234	24,617,472
EURO	46,112,803	3,352,456	28,641,937	3,017,767
ZAR	36,782	-	96,909	-
GBP	6,524,179	842,873	822,339	386,000
Rs.	340,829,321	2,298,115,949	271,752,808	2,460,903,763

THE COMPANY	2017		2016	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
MUR	356,709,973	605,004,461	259,162,155	698,398,334
USD	60,015	705	44,790	357
Rs.	356,769,988	605,005,166	259,206,945	698,398,691

The figures above exclude prepayments and accruals.

Sensitivity analysis

At the end of reporting date, if the rupee had weakened/strengthened by 5% against the the above foreign currencies with all the variables remaining constant, the impact on post tax result for the year would have been as shown in the table 3.1(i), mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated financial assets and liabilities as detailed above.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(i) Currency risk (cont'd)

Currency profile (cont'd)

THE GROUP

Impact on post-tax results	2017		2016	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
	+	+	+	+
USD	1,807,815	3,175	3,001,912	1,230,874
EURO	2,305,640	167,623	1,432,097	150,888
ZAR	1,839	-	4,845	-
GBP	326,209	42,144	41,117	19,300

THE COMPANY

Impact on post-tax results	2017		2016	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
	+	+	+	+
USD	3,001	35	2,240	18

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. The group maintains its deposits held at bank and borrowings in variable rate instruments and its finance lease obligations at fixed rate.

Cash flow interest rate risk

Sensitivity analysis

At the end of the reporting period, if variable interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax result for the year would have changed as shown in the table below.

Impact on post-tax results	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
	+/-	+/-	+/-	+/-
Liabilities				
Borrowings	9,978,056	10,428,687	2,799,409	3,299,587

Fair value interest rate risk

At the end of reporting date, if interest rates on fixed rate borrowings had been 50 basis points lower/higher with all variables held constant, the impact on post-tax result for the year would not be material.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivable. The amounts presented in the statements of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting date to the contractual maturity date.

THE GROUP	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	Rs.	Rs.	Rs.	Rs.
At December 31, 2017				
Borrowings	1,730,765,249	124,198,647	364,546,795	122,460,248
Trade and other payables	463,701,864	-	-	-
At December 31, 2016				
Borrowings	1,560,271,642	149,043,499	465,195,989	319,775,880
Trade and other payables	585,396,881	-	-	-
THE COMPANY				
At December 31, 2017				
Borrowings	592,041,741	104,389	265,105	-
Trade and other payables	68,287,548	-	-	-
At December 31, 2016				
Borrowings	563,174,395	36,884,328	56,349,684	67,106,475
Trade and other payables	52,581,162	-	-	-

3.2 Fair value estimation

The nominal value less estimated credit adjustments to trade receivables and payables are assumed to approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt to adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, retained earnings/(revenue deficit) and non-controlling interests).

The debt-to-adjusted capital ratios at December 31, 2017 and 2016 were as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Total debt	2,000,381,999	2,088,085,001	560,284,777	659,917,443
Less: cash and cash equivalents	(89,101,154)	(158,810,968)	(1,410,239)	(63,425)
Net debt	Rs. 1,911,280,845	1,929,274,033	558,874,538	659,854,018
Total equity	Rs. 2,041,684,426	2,324,216,450	2,187,757,209	2,345,447,802
Debt-to-adjusted capital ratio	0.94: 1	0.83:1	0.26: 1	0.28:1

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated impairment of goodwill

The Group tests annually whether Goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.4.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(b) Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value of some of its investment properties as at 31 December 2016. For these investment properties, the valuer used a valuation technique based on capitalisation of net operating income. Other investment properties comprise of bare land held for capital appreciation whose fair values have been determined based on director's valuations on an open market basis.

The determined fair value of the investment properties, with regards to rental properties, is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of the investment properties, are further explained in Note 6.

(c) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

(d) Pension benefits

The present value of the pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions.

(e) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits or losses on the disposal of similar assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(f) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the company would currently obtain from disposal of the asset, if the asset was already of age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(g) Impairment of assets

Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

(h) Impairment of investment in subsidiaries and associate

The group follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the group evaluates, amongst other factors, the duration and extent to which the fair value of an investment is less than cost, the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(i) Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the equipment applied to the total expected revenue arising from maintenance and repair contracts.

In addition, management exercises judgement in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised.

(j) Deferred tax on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property, the directors reviewed the Group's investment property and concluded that some properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time and others are recovered through sale. Since the Company has a land promoter and property developer licence, the Group has recognised deferred taxes on changes in fair value of investment properties.

(k) Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

5. PROPERTY, PLANT AND EQUIPMENT

(a)	Freehold land and buildings	Plant and equipment	Motor vehicles	Furniture, Fixtures and equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
THE GROUP - 2017					
COST OR VALUATION					
At January 1, 2017	1,216,543,664	24,926,255	8,121,743	86,057,135	1,335,648,797
Additions	72,000	6,253,404	1,599,348	2,149,210	10,073,962
Disposal	-	-	(1,789,313)	(370,979)	(2,160,292)
At December 31, 2017	1,216,615,664	31,179,659	7,931,778	87,835,366	1,343,562,467
DEPRECIATION					
At January 1, 2017	83,976,069	11,887,606	5,669,744	52,652,428	154,185,847
Charge for the year	24,621,073	4,335,731	1,405,297	15,663,840	46,025,941
Disposal	-	-	(1,356,896)	(318,719)	(1,675,615)
At December 31, 2017	108,597,142	16,223,337	5,718,145	67,997,549	198,536,173
NET BOOK VALUE					
At December 31, 2017	Rs. 1,108,018,522	14,956,322	2,213,633	19,837,817	1,145,026,294
THE GROUP - 2016					
COST OR VALUATION					
At January 1, 2016	1,215,830,577	22,692,591	7,799,112	79,624,732	1,325,947,012
Additions	713,087	2,392,468	322,631	6,592,875	10,021,061
Disposal	-	(53,195)	-	-	(53,195)
Write off	-	(105,609)	-	(160,472)	(266,081)
At December 31, 2016	1,216,543,664	24,926,255	8,121,743	86,057,135	1,335,648,797
DEPRECIATION					
At January 1, 2016	58,833,006	7,802,481	4,297,482	36,437,348	107,370,317
Charge for the year	25,143,063	4,167,780	1,372,262	16,324,305	47,007,410
Disposal	-	(28,417)	-	-	(28,417)
Write off	-	(54,238)	-	(109,225)	(163,463)
At December 31, 2016	83,976,069	11,887,606	5,669,744	52,652,428	154,185,847
NET BOOK VALUE					
At December 31, 2016	Rs. 1,132,567,595	13,038,649	2,451,999	33,404,707	1,181,462,950

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Plant and equipment	Motor vehicles	Furniture, Fixtures and equipment	Total
	Rs.	Rs.	Rs.	Rs.
(b) THE COMPANY-2017				
COST				
At January 1, 2017	2,508,349	1,282,100	10,337,990	14,128,439
Additions	243,006	620,000	-	863,006
At December 31, 2017	2,751,355	1,902,100	10,337,990	14,991,445
DEPRECIATION				
At January 1, 2017	1,878,789	1,282,100	7,944,384	11,105,273
Charge for the year	305,532	12,917	1,036,224	1,354,673
At December 31, 2017	2,184,321	1,295,017	8,980,608	12,459,946
NET BOOK VALUE				
At December 31, 2017	Rs. 567,034	607,083	1,357,382	2,531,499
THE COMPANY-2016				
COST				
At January 1, 2016	2,284,173	1,282,100	10,269,738	13,836,011
Additions	247,276	-	68,252	315,528
Write off	(23,100)	-	-	(23,100)
At December 31, 2016	2,508,349	1,282,100	10,337,990	14,128,439
DEPRECIATION				
At January 1, 2016	1,579,693	1,282,100	6,740,618	9,602,411
Charge for the year	300,276	-	1,203,766	1,504,042
Write off	(1,180)	-	-	(1,180)
At December 31, 2016	1,878,789	1,282,100	7,944,384	11,105,273
NET BOOK VALUE				
At December 31, 2016	Rs. 629,560	-	2,393,606	3,023,166

(c) Additions include Rs. 4,793,723 (2016 - Rs.Nil) of assets leased under finance leases for the group and Rs. 620,000 (2016 - Rs.Nil) for the company

(d) Leased assets included above comprise of:

	Plant and machinery		Motor vehicles	
	2017	2016	2017	2016
THE GROUP	Rs.	Rs.	Rs.	Rs.
Cost - capitalised finance leases	7,867,961	2,324,619	6,053,199	6,267,512
Accumulated depreciation	(2,374,168)	(867,570)	(4,174,201)	(4,270,356)
Net book amount	Rs. 5,493,793	1,457,049	1,878,998	1,997,156

THE COMPANY

Cost - capitalised finance leases
Accumulated depreciation
Net book amount

Motor vehicles	
2017	2016
Rs. 620,000	-
(12,917)	-
607,083	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(e) The Group's freehold land was last revalued on December 31, 2013 by an independent Chartered Valuer, Rhoj Ramlackhan B.Sc (Hons.), M.R.I.C.S., M.M.I.S. The fair value was determined based on open-market value basis primarily derived using the Sales Comparison Approach.

Details of the Group's freehold land measured at fair value and information about the fair value hierarchy as at December 31, 2017 are as follows:

	2017	2016
	Rs.	Rs.
Level 2		
Freehold land	165,200,000	165,200,000

Rs.

The buildings have not been revalued and have been based on construction cost as at December 31, 2014. Management is of the opinion that the cost of the buildings approximate their fair value as at December 31, 2017.

(f) If the land was stated on historical cost basis, the amounts would be as follows:

	THE GROUP	
	2017	2016
	Rs.	Rs.
Cost	99,200,000	99,200,000

Rs.

(g) Bank borrowings are secured by fixed and floating charges on the assets of the Group and the Company including property, plant and equipment.

(h) Depreciation expense of Rs.46,025,941 (2016: Rs.47,007,410) for the Group and Rs.1,354,673 (2016: Rs.1,504,042) for the Company have been charged in administrative expenses.

6. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Fair value model				
At January 1	1,075,965,159	1,485,657,787	142,446,219	477,110,267
Additions	4,728,053	-	-	-
Decrease in fair value	(67,285,541)	(78,695,444)	(6,019,319)	(3,666,864)
Transfer to non-current assets classified as held for sales (note 31)	(62,000,000)	(330,997,184)	-	(330,997,184)
Transfer from land and related development costs (note 9)	100,000	-	100,000	-
At December 31,	951,507,671	1,075,965,159	136,526,900	142,446,219

Rs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

6. INVESTMENT PROPERTIES (CONT'D)

(i) The information about the fair value hierarchy of the investment properties as at December 31, 2017 and 2016 are as follows:

	THE GROUP		
	Level 2	Level 3	Total
	Rs.	Rs.	Rs.
December 31, 2017			
Bare lands:			
- Forbach (note 6 (ii))	246,123,666	-	246,123,666
- Piton and Riviere du Rempart (note 6 (ii))	28,500,000	-	28,500,000
Circle Square retail park (note 6 (iii))	-	317,569,959	317,569,959
Industrial building, Riviere du Rempart (note 6 (iv))	-	108,026,900	108,026,900
Harbour Front Building, Port Louis (note 6 (iv))	-	84,179,986	84,179,986
Commercial building - Retail (note 6 (v))	-	167,107,160	167,107,160
Rs.	274,623,666	676,884,005	951,507,671

December 31, 2016

Bare lands:			
- Forbach (note 6 (ii))	246,123,666	-	246,123,666
- Piton and Riviere du Rempart (note 6 (ii))	27,579,219	-	27,579,219
Circle Square retail park (note 6 (iii))	-	327,795,958	327,795,958
Industrial building, Riviere du Rempart (note 6 (iv))	-	114,867,000	114,867,000
Harbour Front Building, Port Louis (note 6 (iv))	-	153,805,917	153,805,917
Commercial building - Retail (note 6 (v))	-	200,651,291	200,651,291
Investment property in progress (note 6 (v))	-	5,142,108	5,142,108
Rs.	273,702,885	802,262,274	1,075,965,159

THE COMPANY

December 31, 2017

	THE COMPANY		
	Level 2	Level 3	Total
	Rs.	Rs.	Rs.
Bare lands - Piton and Riviere du Rempart (note 6 (ii))	28,500,000	-	28,500,000
Industrial building, Riviere du Rempart (note 6 (iv))	-	108,026,900	108,026,900
Rs.	28,500,000	108,026,900	136,526,900

December 31, 2016

Bare lands - Piton and Riviere du Rempart (note 6 (ii))	27,579,219	-	27,579,219
Industrial building, Riviere du Rempart (note 6 (iv))	-	114,867,000	114,867,000
Rs.	27,579,219	114,867,000	142,446,219

(ii) Bare land at Forbach has been valued in December 2017 at fair value by Gexim Real Estate Ltd, an independent professionally qualified valuer. The fair value was determined on an open-market basis by reference to market evidence of transaction prices for similar properties.

Bare land at Piton and Riviere Du Rempart have been valued by Gexim Real Estate Ltd, an independent professionally qualified valuer in December 31, 2017. The land at Piton has been valued using Direct Sale Comparison approach and land at Riviere Du Rempart has been valued using the residual method. The residual method consists of assessing the value of the scheme as completed and deduction of the costs of development (including developer's profit) to arrive at the underlying land value.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

6. INVESTMENT PROPERTIES (CONT'D)

(iii) Circle Square Retail Park was valued by Messrs Ernst & Young on September 30, 2017, based on capitalisation of net operating income. The rentals were calculated on a fully let basis, allowing for a long term vacancy provision. The net operating income has then been capitalised at yields representing different characteristics of the centre, including their location, age and tenant mix. Yields range from 7.5% to 9%. The directors are of opinion that the fair value of Circle Square Retail Park at December 31, 2017 is not materially different from the valuation carried out in September 2017.

(iv) The industrial building and lots in harbour front building was valued by Messrs Ernst & Young on September 30, 2017, based on capitalisation of net operating income. The rentals were calculated on a fully let basis, allowing for a long term vacancy provision. The net operating income has then been capitalised at yields representing different characteristics of the centre, including their location, age and tenant mix. Yields range from 9% to 10%. The directors have carried out valuation of investment properties with similar assumptions as at 31 December 2017 except for some lots in harbour front building which were valued at latest transaction price.

(v) The Directors are of the opinion that the carrying amount of the commercial building - retail and investment property in progress approximates their fair value as at December 31, 2017.

(vi) Bank borrowings are secured by fixed and floating charges on the assets of the Group and the Company including investment properties.

(vii) The following have been recognised in profit or loss:

Rental income
Direct operating expenses arising from investment properties that generate rental income
Direct operating expenses arising from investment properties that do not generate rental income

THE GROUP		THE COMPANY	
2017	2016	2017	2016
Rs.	Rs.	Rs.	Rs.
53,988,429	70,544,613	20,362,075	34,165,235
8,715,966	15,316,841	1,444,797	5,046,727
2,782,097	2,857,107	267,781	1,136,411

7. INTANGIBLE ASSETS

(a) THE GROUP

COST

At January 1, 2017	329,081,309	61,568,451	14,011,943	404,661,703
Additions	-	-	200,000	200,000
Impairment charges	(61,875,957)	-	-	(61,875,957)
At December 31, 2017	267,205,352	61,568,451	14,211,943	342,985,746

AMORTISATION

At January 1, 2017	181,595,314	5,760,999	7,707,046	195,063,359
Charge for the year	-	1,231,369	3,394,050	4,625,419
At December 31, 2017	181,595,314	6,992,368	11,101,096	199,688,778

NET BOOK VALUE

At December 31, 2017	85,610,038	54,576,083	3,110,847	143,296,968
-----------------------------	-------------------	-------------------	------------------	--------------------

Rs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

7. INTANGIBLE ASSETS (CONT'D)

	Goodwill	Leasehold rights	Computer software	Total
	Rs.	Rs.	Rs.	Rs.
(a) THE GROUP				
COST				
At January 1, 2016	505,522,437	61,568,451	13,172,593	580,263,481
Additions	-	-	876,525	876,525
Impairment charges	(176,441,128)	-	-	(176,441,128)
Write off	-	-	(37,175)	(37,175)
At December 31, 2016	329,081,309	61,568,451	14,011,943	404,661,703
AMORTISATION				
At January 1, 2016	181,595,314	4,529,630	4,306,039	190,430,983
Charge for the year	-	1,231,369	3,411,076	4,642,445
Write off	-	-	(10,069)	(10,069)
At December 31, 2016	181,595,314	5,760,999	7,707,046	195,063,359
NET BOOK VALUE				
At December 31, 2016	Rs. 147,485,995	55,807,452	6,304,897	209,598,344

	Goodwill	Computer software	Total
	Rs.	Rs.	Rs.
(b) THE COMPANY			
COST			
At January 1, 2017	218,047,737	2,247,015	220,294,752
Additions	-	65,000	65,000
Impairment charges	(21,566,769)	-	(21,566,769)
At December 31, 2017	196,480,968	2,312,015	198,792,983
AMORTISATION			
At January 1, 2017	179,743,850	1,514,549	181,258,399
Charge for the year	-	384,888	384,888
At December 31, 2017	179,743,850	1,899,437	181,643,287
NET BOOK VALUE			
At December 31, 2017	Rs. 16,737,118	412,578	17,149,696

	Goodwill	Computer software	Total
	Rs.	Rs.	Rs.
THE COMPANY			
COST			
At January 1, 2016	229,712,465	2,203,690	231,916,155
Additions	-	80,500	80,500
Impairment charges	(11,664,728)	-	(11,664,728)
Write off	-	(37,175)	(37,175)
At December 31, 2016	218,047,737	2,247,015	220,294,752
AMORTISATION			
At January 1, 2016	179,743,850	1,152,913	180,896,763
Charge for the year	-	371,705	371,705
Write off	-	(10,069)	(10,069)
At December 31, 2016	179,743,850	1,514,549	181,258,399
NET BOOK VALUE			
At December 31, 2016	Rs. 38,303,887	732,466	39,036,353

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

7. INTANGIBLE ASSETS (CONT'D)

- (c) The goodwill for the Company arose on amalgamation of BlueLife Limited with Indian Ocean Real Estate Company Ltd and is mainly attributable to the cash flows generated from the asset. Impairment charges for the Company of Rs.21,566,769 for the year ended December 31, 2017 (2016: Rs.11,664,728) have been charged to profit or loss.

Part of the goodwill for the Group arose on amalgamation of BlueLife Limited with Indian Ocean Real Estate Company Ltd and is attributable to the cash flows generated from specific project. The other goodwill has been assessed for impairment based on discounted cash flow techniques, taking into account future cash flows expected to be generated on the assets and also the market conditions prevailing. Impairment charges for the Group of Rs.61,875,957 for the year ended December 31, 2017 (2016: Rs.176,441,128) have been charged to profit or loss.

- (d) Amortisation charge of Rs.4,625,419 (2016: Rs.4,642,445) for the Group and Rs.384,888 (2016: Rs.371,705) for the Company has been charged in administrative expenses.

8. INVENTORIES

COST

Stock of apartments
Operating equipment
Consumables

	THE GROUP	
	2017	2016
	Rs.	Rs.
	-	15,094,747
	2,449,509	5,121,703
	8,532,840	7,515,109
Rs.	10,982,349	27,731,559

- (a) Inventories recognised as expense during the year amounts to Rs.64,920,940 (2016: Rs.160,190,964).
- (b) The bank borrowings are secured by floating charges on the assets of the Group, including inventory.

9. LAND AND RELATED DEVELOPMENT COSTS

At January 1, 2017
Additions
Transfer
Transfer to cost of sales
Transfer to investment properties
At December 31, 2017

At January 1, 2016
Additions
Transfer to cost of sales
Transfer to inventories
Transfer
At December 31, 2016

	THE GROUP		
	Non-current	Current	Total
	Rs.	Rs.	Rs.
At January 1, 2017	1,634,425,724	286,641,316	1,921,067,040
Additions	13,628,192	309,724,913	323,353,105
Transfer	(36,122,387)	36,122,387	-
Transfer to cost of sales	-	(432,967,251)	(432,967,251)
Transfer to investment properties	(100,000)	-	(100,000)
Rs.	1,611,831,529	199,521,365	1,811,352,894
At January 1, 2016	1,819,979,741	213,439,590	2,033,419,331
Additions	-	739,398,676	739,398,676
Transfer to cost of sales	(75,015,472)	(761,640,748)	(836,656,220)
Transfer to inventories	-	(15,094,747)	(15,094,747)
Transfer	(110,538,545)	110,538,545	-
Rs.	1,634,425,724	286,641,316	1,921,067,040

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

9. LAND AND RELATED DEVELOPMENT COSTS (CONT'D)

THE COMPANY	
Non-current	Total
Rs.	Rs.
At January 1, 2017	36,222,387
Transfer to subsidiary	(36,122,387)
Transfer to investment properties (note 6)	(100,000)
At December 31, 2017	-

Land and related development costs comprise of land infrastructure and related development expenditures. The Group develops residential and IRS properties, which it sells in the ordinary course of business and has entered into agreement to sell these properties on completion of construction.

The Group has considered the application of IFRIC 15 to the land and related development costs. The percentage of completion method of revenue recognition has been applied and revenue recognised as work in progress. Development expenditure incurred in respect of work in progress dealt with under the percentage of completion method is recognised in profit or loss in the period incurred.

At December 31, 2017, advance received from customers for development projects is Rs. 120,225,515 (2016: Rs.194,590,674) for the Group and Rs.Nil (2016: Rs.Nil) for the Company.

The amount recognised in cost of sales for the year in respect of land development projects is:

THE GROUP	
2017	2016
Rs.	Rs.
In respect of sales recognised on a percentage of completion basis	
Rs. 440,646,814	836,656,220

The following table provides information about such continuous transfer agreements that are in progress at the reporting date:

THE GROUP	
2017	2016
Rs.	Rs.
Aggregate costs incurred and expensed to date	1,147,651,742
Profit before tax recognised to date on on-going projects	1,593,524,070
	300,009,757
	172,642,447

10. INVESTMENT IN SUBSIDIARIES - COST

THE COMPANY	
2017	2016
Rs.	Rs.
At January 1,	2,312,079,944
Additions	4,503,721
Impairment losses	(14,105,916)
December 31,	2,302,477,749
	2,312,079,944

At January 1,
Additions
Impairment losses
December 31,

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

(a) The list of the Company's significant subsidiaries is as follows:

December 31, 2017

Names	Class of shares	Year end	Stated Capital	Proportion of ownership interest		Proportion of ownership interests held by non controlling interests	Proportion of voting power held	Place of registration and operation	Main business
				Direct	Indirect				
				%	%		%		
Société des Primevères	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Property holding
Société de l'Oie	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Property holding
Société de la Perruche	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Property holding
Société du Héron	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Property holding
Société de l'Ibis	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Property holding
Société des Cocotiers	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Property holding
Société de l'Ecureuil	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Property holding
Société des Figuiers	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Property holding
Société du Tigre	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Property holding
PL Resort Ltd	Ordinary	December 31, 2017		60.0	-	40.0	60.0	Mauritius	Hotel operation
Circle Square Holding Ltd	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Land promoter and property developer
Ocean Edge Property Management									Management and consultancy activities
Company Ltd	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Land promoter and property developer
Haute Rive Holdings Ltd	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Land promoter and property developer
Haute Rive IRS Company Ltd	Ordinary	December 31, 2017		-	100.0	-	100.0	Mauritius	Land promoter and property developer
Haute Rive Ocean Front Living Ltd	Ordinary	December 31, 2017		-	100.0	-	100.0	Mauritius	Real estate activities
Haute Rive Azuri Hotel Ltd	Ordinary	December 31, 2017		-	62.9	37.1	60.0	Mauritius	Hotel operations
HR Golf Holding Ltd (Formerly known as HR Educational Holding Ltd)	Ordinary	December 31, 2017		-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Suites Ltd	Ordinary	December 31, 2017		-	100.0	-	100.0	Mauritius	Management and consultancy activities
Azuri Golf Management Ltd (Formerly known as HR Educational Properties Ltd)	Ordinary	December 31, 2017		-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Services Ltd	Ordinary	December 31, 2017		-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Estate Management Ltd	Ordinary	December 31, 2017		-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Watch Ltd	Ordinary	December 31, 2017		-	100.0	-	100.0	Mauritius	Consultancy activities
Les Hauts Champs 2 Ltd (Formerly known as Riverside Centre Holding Company Ltd)	Ordinary	December 31, 2017		-	100.0	-	100.0	Mauritius	Land promoter and property developer
Life in Blue Limited*	Ordinary	December 31, 2017		100.0	-	-	100.0	Mauritius	Real estate activities
Haute Rive PDS Ltd*	Ordinary	December 31, 2017		-	100.0	-	100.0	Mauritius	Real estate activities

* Life in Blue Limited and Haute Rive PDS Ltd have been incorporated during the year ended December 31, 2017.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

(a) The list of the Company's significant subsidiaries is as follows:

December 31, 2016

Names	Class of shares	Year end	Stated Capital	Proportion of ownership interest		Proportion of ownership interests held by non-controlling interests	Proportion of voting power held	Place of registration and operation	Main business
				Proportion of ownership interest					
				Direct	Indirect				
Société des Primevères	Ordinary	December 31, 2016	60,000,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Oie	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de la Perruche	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société du Héron	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Ibis	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société des Cocotiers	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société de l'Ecureuil	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société des Figuiers	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Property holding
Société du Tigre	Ordinary	December 31, 2016	1,000	100.0	-	-	100.0	Mauritius	Property holding
PL Resort Ltd	Ordinary	December 31, 2016	215,000,000	60.0	-	40.0	60.0	Mauritius	Hotel operations
Circle Square Holding Ltd	Ordinary	December 31, 2016	335,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Ocean Edge Property Management									Management and consultancy activities
Company Ltd	Ordinary	December 31, 2016	100	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Haute Rive Holdings Ltd	Ordinary	December 31, 2016	1,150,000,000	100.0	-	-	100.0	Mauritius	Land promoter and property developer
Haute Rive IRS Company Ltd	Ordinary	December 31, 2016	1	-	100.0	-	100.0	Mauritius	Real estate activities
Haute Rive Ocean Front Living Ltd	Ordinary	December 31, 2016	1,000	-	100.0	-	100.0	Mauritius	Real estate activities
Haute Rive Azuri Hotel Ltd	Ordinary	December 31, 2016	399,000,000	-	62.9	37.1	60.0	Mauritius	Hotel operations
Haute Rive Educational Holdings Ltd	Ordinary	December 31, 2016	1,000	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Suites Ltd	Ordinary	December 31, 2016	100	-	100.0	-	100.0	Mauritius	Management and consultancy activities
HR Educational Properties Ltd	Ordinary	December 31, 2016	1,000	-	100.0	-	100.0	Mauritius	Development of building projects for sale
Azuri Services Ltd*	Ordinary	December 31, 2016	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Estate Management Ltd*	Ordinary	December 31, 2016	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Azuri Watch Ltd*	Ordinary	December 31, 2016	100	-	100.0	-	100.0	Mauritius	Consultancy activities
Riverside Centre Holding Company Ltd*	Ordinary	December 31, 2016	100	-	100.0	-	100.0	Mauritius	Land promoter and property developer

* Azuri Services Ltd, Azuri Estate Management Ltd, Azuri Watch Ltd and Riverside Centre Holding Company Ltd have been incorporated during the year ended December 31, 2016.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

(b) **Subsidiaries with non-controlling interests**

Details of subsidiaries that have non-controlling interests:

Name	2017		2016	
	Loss allocated to non-controlling interests during the year	Accumulated non-controlling interests at December 31,	Loss allocated to non-controlling interests during the year	Accumulated non-controlling interests at December 31,
	Rs.	Rs.	Rs.	Rs.
PL Resort Ltd	(8,215,225)	(4,401,400)	(18,745,187)	3,736,995
Haute Rive Azuri Hotel Ltd	(22,144,944)	4,373,793	(51,524,622)	26,672,828
Rs.	(30,360,169)	(27,607)	(70,269,809)	30,409,823

(c) **Summarised financial information of subsidiaries with non-controlling interests**

(i) Summarised statements of financial position and statement of profit or loss and other comprehensive income:

2017

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Loss from continuing operations	Other comprehensive income for the year	Total comprehensive income for the year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	PL Resort Ltd	52,103,743	438,858,859	215,275,709	286,690,394	175,284,504	(20,538,063)	192,076
Haute Rive Azuri Hotel Ltd	87,349,912	774,967,411	647,311,028	203,217,100	240,664,099	(59,689,876)	(415,341)	(60,105,217)

2016

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Loss from continuing operations	Other comprehensive income for the year	Total comprehensive income for the year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	PL Resort Ltd	28,263,242	450,025,171	181,756,194	287,189,733	128,348,254	(46,862,967)	(845,506)
Haute Rive Azuri Hotel Ltd	62,677,722	796,958,544	534,012,983	253,728,868	192,537,848	(138,880,383)	(1,257,963)	(140,138,346)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

10. INVESTMENT IN SUBSIDIARIES - COST (CONT'D)

(ii) Summarised cash flow information:

Name	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
	Rs.	Rs.	Rs.	Rs.
2017				
PL Resort Ltd	8,165,353	(1,521,771)	657,868	7,301,450
Haute Rive Azuri Hotel Ltd	17,770,083	(3,380,950)	(928,069)	13,461,064
2016				
PL Resort Ltd	(6,286,541)	(1,975,253)	5,965,780	(2,296,014)
Haute Rive Azuri Hotel Ltd	(13,130,820)	(2,515,261)	3,716,435	(11,929,646)

The summarised financial information above is the amount before intra-group eliminations.

11. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
(a) At January 1,	276,614,300	29,199,165	276,614,300	29,199,165
Transfer from investment properties (note 6)	62,000,000	330,997,184	-	330,997,184
Disposal	(276,614,300)	(15,853,917)	(276,614,300)	(15,853,917)
Impairment	-	(67,728,132)	-	(67,728,132)
At December 31,	Rs. 62,000,000	276,614,300	-	276,614,300

(b) In the financial 2017, the Company disposed of one of its investment property, namely Riverside Shopping Centre. The disposal was effected in order to generate cash flow for the expansion of the Company's other businesses.

On November 9, 2017, the board of directors approved the sale of an investment property, namely 4th Floor of Harbour Front Building, which is presently held in one of the subsidiaries. The completion date is expected by 4th April 2018 on which date control will pass to the acquirer.

(c) An analysis of the result of discontinued operations, and the result recognised on the re-measurement the disposal group is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Revenue	10,376,935	24,229,935	4,047,259	16,722,667
Other income	5,479,353	13,748,491	4,768,278	13,748,491
Decrease in fair value of investment properties	(24,989,944)	(15,573,928)	-	-
Administrative and other operating expenses	(6,201,115)	(16,196,905)	(4,678,441)	(14,288,905)
Impairment charges	-	(36,405,000)	-	(36,405,000)
Finance costs	(2,172,558)	(9,059,942)	(2,172,558)	(9,059,942)
(Loss)/profit before tax of discontinued operations	(17,507,329)	(39,257,349)	1,964,538	(29,282,689)
Tax	10,594,980	(500,422)	10,594,986	(500,423)
(Loss)/profit after tax of discontinued operations	(6,912,349)	(39,757,771)	12,559,524	(29,783,112)

(d) Operating cash flows	(118,083,661)	(17,551,510)	(73,622,428)	7,754,474
Financing cash flows	(116,344,307)	(8,790,521)	-	(8,790,521)
	(234,427,968)	(26,342,031)	(73,622,428)	(1,036,047)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Trade receivables	140,085,275	91,791,167	8,765,319	8,087,101
Less provision for impairment	(20,843,027)	(18,255,267)	(6,804,693)	(7,025,579)
Net trade receivables	119,242,248	73,535,900	1,960,626	1,061,522
Receivables from related parties, net of impairment (note 34)	532,343	277,163	303,326,143	254,757,277
Advances from suppliers	-	14,145,574	-	-
Other receivables, net of impairment	131,953,576	24,983,203	13,950,593	3,324,721
Prepayments	6,052,707	8,284,593	1,660,335	1,669,439
Rs.	257,780,874	121,226,433	320,897,697	260,812,959

As at December 31, 2017, trade and other receivables of Rs. 21,943,027 (2016: Rs.19,355,267) for the Group and Rs.7,904,693 (2016: Rs.8,125,579) for the Company were impaired, detailed as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Trade receivables	20,843,027	18,255,267	6,804,693	7,025,579
Other receivables	1,100,000	1,100,000	1,100,000	1,100,000
Rs.	21,943,027	19,355,267	7,904,693	8,125,579

The amount of the provision was Rs. 21,943,027 (2016: Rs.19,355,267) for the Group and Rs.7,904,693 (2016: Rs.8,125,579) for the Company. The individually impaired receivables mainly relate to tenants, which are in unexpectedly difficult economic situation. The ageing of these receivables are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Less than three months	-	87,922	-	87,922
Three to six months	9,822,227	4,485,351	-	232,780
Over six months	12,120,800	14,781,994	7,904,693	7,804,877
Rs.	21,943,027	19,355,267	7,904,693	8,125,579

As of December 31, 2017, trade receivables of Rs.26,807,345 (2016: Rs.17,840,368) for the Group and Rs.3,381 (2016: Rs.967,484) for the Company were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Three to six months	22,182,996	13,120,687	-	818,882
Over six months	4,624,349	4,719,681	3,381	148,602
Rs.	26,807,345	17,840,368	3,381	967,484

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

12. TRADE AND OTHER RECEIVABLES (CONT'D)

Movement on the provision for impairment on trade receivables are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
At January 1,	19,355,267	19,786,053	8,125,579	10,719,738
Provision for receivable impairment	3,246,448	3,631,945	421,989	5,012
Receivables written off during the year as uncollectible	(523,078)	(4,062,731)	(54,589)	(2,599,171)
Unused amounts reversed	(135,610)	-	(588,286)	-
At December 31,	Rs. 21,943,027	19,355,267	7,904,693	8,125,579

The carrying amounts of the Group's and Company's trade and other receivables approximate their fair values and are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Rupee	204,596,135	91,577,061	320,897,697	260,812,959
US Dollar	10,803,214	12,958,727	-	-
UK Pound	5,343,245	4,469,667	-	-
Euro	37,038,280	12,220,978	-	-
Rs.	257,780,874	121,226,433	320,897,697	260,812,959

The maximum exposure to credit risk at the end of the reporting date is the fair value of each class of receivable mentioned above.

The other classes within trade and other receivables do not contain impaired assets.

13. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Amounts recognised in the statements of financial position				
Other post employment benefits	Rs. 5,941,476	5,994,255	1,146,435	1,989,818
Analysed as follows:				
Non-current liabilities	Rs. 5,941,476	5,994,255	1,146,435	1,989,818
Amount charged to profit or loss:				
Other post employment benefits	Rs. 949,706	536,416	576,964	830,872
Amount (credited)/charged to other comprehensive income:				
Other post employment benefits	Rs. (2,453,204)	2,955,185	(2,871,066)	480,515

(a) Other post employment benefits

- (i) The plan is a hybrid arrangement in respect of employees who were previously members of a defined benefit plan. These employees have a No Worse Off Guarantee whereby, at retirement, their pension benefits will not be less than what would have been payable under the previous Defined Benefit plan. An employee foregoes this guarantee if he leaves before normal retirement age.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Other post employment benefits (cont'd)

The unfunded part of the liability relates to Retirement Gratuities payable under the Employment Rights Act (ERA). The latter provides for a lump sum at retirement based on final salary and years of service. For employees who are members of the Defined Contribution plan, half of any lumpsum and five years of pension (relating to Employer's share of contributions only) payable from the pension fund have been offset from the Retirement Gratuities.

The assets of the plan are part of the IBL Pension Fund which are held independently and administered by Pension Consultants and Administrators Ltd.

The most recent actuarial valuation of the plan assets and the present value of the other post retirement benefits were carried out at December 31, 2017 by Anglo Mauritius (Actuarial Valuer).

The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- (ii) The amounts recognised in the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Present value of funded obligations	-	1,885,626	-	1,885,626
Present value of unfunded obligations	5,941,476	5,947,190	1,146,435	1,942,753
	5,941,476	7,832,816	1,146,435	3,828,379
Fair value of plan assets	-	(1,838,561)	-	(1,838,561)
Liability in the statements in financial position	5,941,476	5,994,255	1,146,435	1,989,818

- (iii) The reconciliation of the opening balances to the closing balances for the benefit liability is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
At January 1,	5,994,255	3,438,408	1,989,818	1,614,185
Charged to profit or loss	949,706	536,416	576,964	830,872
(Credited)/charged to other comprehensive income	(2,453,204)	2,955,185	(2,871,066)	480,515
Contributions paid	(715,861)	(935,754)	(715,861)	(935,754)
Benefits paid	2,166,580	-	2,166,580	-
At December 31,	5,941,476	5,994,255	1,146,435	1,989,818

- (iv) The movement in the benefit obligations over the years is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
At January 1,	7,832,816	4,926,358	3,828,379	3,102,135
Current service cost	218,680	176,900	90,008	117,509
Past service cost	88,963	(523,584)	-	-
Interest expense	254,221	385,735	99,114	215,998
Remeasurements:	-	-	-	-
Actuarial (gains)/loss arising from experience adjustment	(2,453,204)	2,883,912	(2,871,066)	409,242
Benefit paid	-	(16,505)	-	(16,505)
At December 31,	5,941,476	7,832,816	1,146,435	3,828,379

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(v) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP AND THE COMPANY	
	2017	2016
	Rs.	Rs.
At January 1,	1,838,562	1,487,950
Interest income	96,380	114,901
Cost of insuring risk benefits	(233,147)	(436,477)
Contributions by the employer	715,861	935,754
Scheme expenses	(251,076)	(175,789)
Benefits paid	(2,166,580)	(16,505)
Actuarial losses	-	(71,273)
At December 31,	Rs. -	1,838,561

(vi) Amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Current service cost	218,680	176,900	90,007	117,509
Past service cost	-	(523,584)	-	-
Net interest cost	246,805	270,834	2,735	101,097
Cost of insuring risk benefits	233,146	436,477	233,147	436,477
Scheme expenses	251,075	175,789	251,075	175,789
Total included in employee benefit expense (note 23)	949,706	536,416	576,964	830,872

(vii) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Losses on pension scheme assets	-	71,273	-	71,273
Experience (gains)/losses on liabilities	(2,424,315)	3,684,219	(2,860,715)	1,209,549
Changes in assumptions underlying the present value of the scheme	(28,889)	(800,307)	(10,351)	(800,307)
	(2,453,204)	2,955,185	(2,871,066)	480,515
(viii) Actual return on plan assets	-	44,000	-	44,000

(ix) Cumulative actuarial losses recognised:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
At January 1,	3,871,112	915,927	2,299,107	1,818,592
Actuarial (gains)/losses recognised for the year	(2,453,204)	2,955,185	(2,871,066)	480,515
At December 31,	1,417,908	3,871,112	(571,959)	2,299,107

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(x) The fair value of the plan assets at the end of the reporting period for each category, are as follows:

	THE GROUP AND THE COMPANY	
	2017	2016
	Rs.	Rs.
Cash and cash equivalents	-	121,345
Equity investments categorised by industry type:		
- Banks & Insurance	-	220,627
- Industry	-	22,063
- Investment	-	156,278
- Leisure & Hotels	-	97,444
- Sugar	-	-
- Commerce	-	33,093
- Transport	-	-
- Others	-	20,224
Fixed interest instruments	-	549,730
Properties		
- Commercial properties in Mauritius	-	18,386
Investment funds - Overseas	-	444,932
Private equity	-	154,439
Total market value of assets	Rs. -	1,838,561

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair values of properties and derivatives are not based on quoted market prices in active markets.

(xi) Principal actuarial assumptions used for accounting purposes were:

	THE GROUP AND THE COMPANY	
	2017	2016
	%	%
Discount rate	5.00	6.00
Expected return on plan assets	5.00	7.00
Future long-term salary increase	3.00	4.00
Future expected pension increase	0.00	1.00

(xii) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	THE GROUP		THE COMPANY	
	Increase	Decrease	Increase	Decrease
	Rs.	Rs.	Rs.	Rs.
31 December 2017				
Discount rate (1% increase)	Rs. -	1,447,099	Rs. -	490,852
Future long term salary assumption (1% increase)	Rs. 1,846,076	-	Rs. 597,320	-
31 December 2016				
Discount rate (1% increase)	Rs. -	2,517,590	Rs. -	1,705,136
Future long term salary assumption (1% increase)	Rs. 2,418,838	-	Rs. 1,347,827	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

- (xii) An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The defined benefit pension plan exposes the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

- (xiii) The Group expects to pay Rs.Nil (2017:Rs.300,000) in contributions to its post-employment benefit plans for the year ending December 31, 2018.

- (xiv) The weighted average duration of the obligation is 24 years at the end of the reporting period (2016: 21.4 years)

14. STATED CAPITAL

THE GROUP AND THE COMPANY			
2017		2016	
Number of shares		Rs.	
Issued and fully paid ordinary shares at no par value			
At January 1 and December 31,	425,342,317	425,342,317	3,027,298,338

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

15. BORROWINGS

Non-current

Bank and other loans (notes 15(b)&15(g))

Finance lease liabilities (notes 15(b)&15(f))

Loans with related parties (note 15(g) & 34)

Current

Bank overdrafts

Bank and other loans (notes 15(b)&15(g))

Short term loans

Loans with related parties (note 15(g)&34)

Finance lease liabilities (notes 15(b)&15(f))

Total

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Non-current				
Bank and other loans (notes 15(b)&15(g))	485,173,593	649,533,553	-	106,499,465
Finance lease liabilities (notes 15(b)&15(f))	3,397,164	561,932	330,995	-
Loans with related parties (note 15(g) & 34)	-	16,667,767	-	16,667,767
	488,570,757	666,763,252	330,995	123,167,232
Current				
Bank overdrafts	443,258,914	403,205,310	271,798,444	255,488,702
Bank and other loans (notes 15(b)&15(g))	743,227,276	733,187,237	-	9,844,842
Short term loans	210,868,038	186,726,809	175,000,000	175,000,000
Loans with related parties (note 15(g)&34)	113,083,333	96,416,667	113,083,333	96,416,667
Finance lease liabilities (notes 15(b)&15(f))	1,373,681	1,785,726	72,005	-
	1,511,811,242	1,421,321,749	559,953,782	536,750,211
Total	Rs. 2,000,381,999	2,088,085,001	560,284,777	659,917,443

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

15. BORROWINGS (CONT'D)

- (a) As at December 31, 2017, three of the subsidiaries of the Group were in breach of certain banking covenants and as such, bank loans amounting to Rs. 534.5m (2016: Rs.524.6m) for the Group were classified as current borrowings. Such breaches technically gave the right to the Group's lenders to accelerate repayment before scheduled maturity. No such acceleration has taken place as of the date of authorisation of the financial statements and management are in negotiation with the banks for rescheduling of debts.

- (b) The borrowings include secured liabilities (leases and bank loans) amounting to Rs.1,193,673,098 (2016: Rs.1,343,605,862) for the Group and Rs.403,000 (2016: Rs.99,676,540) for the Company. The bank borrowings are secured by fixed and floating charges over the property, plant and equipment, inventories and part of the investment properties of the Group and its related parties. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

- (c) The carrying amounts of the borrowings are not materially different from their fair value and are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
MUR	1,980,552,869	2,067,042,071	560,284,777	659,917,443
USD	79,822	1,293,622	-	-
EURO	19,749,308	19,749,308	-	-
Rs.	2,000,381,999	2,088,085,001	560,284,777	659,917,443

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

15. BORROWINGS (CONT'D)

(d) The exposure of the Group's and Company's borrowings to interest rate changes and the contractual repricing dates are as follows:

THE GROUP	Six months or less	6 -12 months	1 - 5 years	Over 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
At December 31, 2017					
Total borrowings	Rs. 1,369,241,567	141,195,992	325,000,000	140,424,287	1,975,861,846
At December 31, 2016					
Total borrowings	Rs. 948,177,624	471,358,399	419,988,643	204,750,080	2,044,274,746
THE COMPANY	Six months or less	6 -12 months	1 - 5 years	Over 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
At December 31, 2017					
Total borrowings	Rs. 559,881,777	-	-	-	559,881,777
At December 31, 2016					
Total borrowings	Rs. 340,063,014	196,687,197	64,925,121	58,242,111	659,917,443

(e)(i) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
- after one year and before two years	65,729,555	86,616,557	76,067	27,329,726
- after two years and before five years	305,026,665	333,934,018	254,928	37,595,395
- after five years	117,814,537	246,212,677	-	58,242,111
	Rs. 488,570,757	666,763,252	330,995	123,167,232

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

15. BORROWINGS (CONT'D)

(ii) Non-current borrowings can be analysed as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
- After one year and before two years				
- Bank loans	65,000,000	69,386,858	-	10,661,959
- Finance lease liabilities	729,556	561,932	76,067	-
- Loans with related parties	-	16,667,767	-	16,667,767
	65,729,556	86,616,557	76,067	27,329,726
- After two years and before five years				
- Bank loans	302,500,000	333,934,018	-	37,595,395
- Finance lease liabilities	2,526,664	-	254,928	-
- Loans with related parties	-	-	-	-
	305,026,664	333,934,018	254,928	37,595,395
- After five years				
- Bank and other loans	117,673,593	246,212,677	-	58,242,111
- Finance lease liabilities	140,944	-	-	-
- Loans with related parties	-	-	-	-
	117,814,537	246,212,677	-	58,242,111
	Rs. 488,570,757	666,763,252	330,995	123,167,232

(f) Finance lease liabilities - minimum lease payments:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Not later than one year	1,724,998	1,881,331	92,373	-
Later than one year not later than 2 years	1,039,513	590,724	92,373	-
Later than 2 years not later than 5 years	2,712,256	-	277,119	-
Later than 5 years	238,121	-	-	-
	5,714,888	2,472,055	461,865	-
Future finance charges on finance leases	(944,043)	(124,397)	(58,865)	-
Present value of finance lease liabilities	Rs. 4,770,845	2,347,658	403,000	-
The present value of finance lease liabilities may be analysed as follows:				
Not later than one year	1,373,681	1,785,726	72,005	-
Later than one year not later than 2 years	729,556	561,932	76,067	-
Later than 2 years not later than 5 years	2,526,664	-	254,928	-
Later than 5 years	140,944	-	-	-
	Rs. 4,770,845	2,347,658	403,000	-

(g) Loans with related parties are unsecured, interest bearing and repayable at call.

(h) The effective interest rates at the end of reporting date were as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
Bank overdrafts	5.75% - 10%	7.3% - 13.5%	5.75% - 7.05%	7.25% - 7.65%
Finance lease liabilities	5.5% - 9.25%	2.90% - 9%	5.5%	-
Short term loans	8.2% - 11.75%	5.4% - 10%	8.2% - 8.60%	5.4% - 10%
Loan from related parties	8.375% - 8.6%	8.5% - 8.6%	8.375% - 8.6%	8.5% - 8.6%
Bank and other loans	5.75%-11.25%	7.3% - 9.1%	N/A	7.3%

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

16. DEFERRED INCOME TAXES

Deferred income tax is calculated on all temporary differences under the liability method at 15% (2016: 15%).

- (a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Deferred tax assets	(58,387,028)	(40,578,363)	(359,802)	-
Deferred tax liabilities	9,991,114	10,362,529	-	10,362,528
Net deferred tax (assets)/liabilities	Rs. (48,395,914)	(30,215,834)	(359,802)	10,362,528

- (b) The movement on the deferred income tax account is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
At January 1, (Credited)/charged to profit or loss (note 25)	(30,215,834)	(39,797,132)	10,362,528	9,967,991
Tax charged/(credited) to equity	367,978	(443,278)	430,659	(72,077)
At December 31,	Rs. (48,395,914)	(30,215,834)	(359,802)	10,362,528

- (c) The movement in deferred tax assets and liabilities during the year, without taking into consideration of the offsetting of balances within the same fiscal authority on the same entity is as follows:

THE GROUP	At	Credited to profit or loss	Charged to equity	At
	January 1, 2017			December 31, 2017
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Accelerated tax depreciation	9,952,182	(9,952,182)	-	-
Deferred tax assets				
Retirement benefit obligations	(899,139)	(360,065)	367,978	(891,226)
Tax losses	(26,928,211)	(1,929,909)	-	(28,858,120)
Change in fair value of investment properties	(12,340,666)	(1,533,897)	-	(13,874,563)
Accelerated tax depreciation	-	(4,772,005)	-	(4,772,005)
	(40,168,016)	(8,595,876)	367,978	(48,395,914)
Rs.	(30,215,834)	(18,548,058)	367,978	(48,395,914)

	At	(Credited)/ charged to profit or loss	Credited to equity	At
	January 1, 2016			December 31, 2016
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Accelerated tax depreciation	11,683,731	(1,731,549)	-	9,952,182
Change in fair value of investment properties	(5,308,790)	5,308,790	-	-
	6,374,941	3,577,241	-	9,952,182
Deferred tax assets				
Retirement benefit obligations	(802,009)	346,148	(443,278)	(899,139)
Tax losses	(45,370,064)	18,441,853	-	(26,928,211)
Change in fair value of investment properties	-	(12,340,666)	-	(12,340,666)
	(46,172,073)	6,447,335	(443,278)	(40,168,016)
Rs.	(39,797,132)	10,024,576	(443,278)	(30,215,834)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

16. DEFERRED INCOME TAXES (CONT'D)

THE COMPANY

	At	Credited to profit or loss	Charged to equity	At
	January 1, 2017			December 31, 2017
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Accelerated tax depreciation	10,661,001	(10,848,836)	-	(187,835)
	10,661,001	(10,848,836)	-	(187,835)
Deferred tax assets				
Retirement benefit obligations	(298,473)	(304,153)	430,659	(171,967)
	(298,473)	(304,153)	430,659	(171,967)
Rs.	10,362,528	(11,152,989)	430,659	(359,802)

THE COMPANY

	At	Charged/ (credited) to profit or loss	Credited to equity	At
	January 1, 2016			December 31, 2016
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Accelerated tax depreciation	9,352,338	1,308,663	-	10,661,001
Change in fair value of investment properties	857,781	(857,781)	-	-
	10,210,119	450,882	-	10,661,001
Deferred tax assets				
Retirement benefit obligations	(242,128)	15,732	(72,077)	(298,473)
	(242,128)	15,732	(72,077)	(298,473)
Rs.	9,967,991	466,614	(72,077)	10,362,528

- (d) At the end of the reporting period, the Group has unused tax losses of Rs. 1,084,115,737 (2016: Rs. 990,131,219) and the Company Rs. 267,064,673 (2016: Rs. 235,316,317), available for offset against future profits. A deferred tax asset has been recognised in respect of Rs. 192,387,474 (2016: Rs. 179,521,398) for the Group and Rs. Nil (2016: Rs. Nil) for the Company of such losses. No deferred tax asset has been recognised in respect of the remaining Rs. 891,728,252 (2016: Rs. 810,609,821) for the Group due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

17. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Trade payables	119,467,486	122,801,392	12,673,337	12,164,327
Amount due to related parties (note 34)	17,439,603	6,877,920	25,627,907	15,585,016
Deposit from tenants	3,868,012	7,723,236	1,273,042	5,577,632
Deposit from buyers	120,225,515	194,590,674	-	-
Accruals	165,967,914	212,578,119	23,567,160	14,099,914
Other payables	36,733,334	40,825,540	5,146,102	5,154,273
Rs.	463,701,864	585,396,881	68,287,548	52,581,162

- (a) The carrying amounts of trade and other payables approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

18. REVENUE

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Revenue from the sale of goods	163,135,865	133,561,740	-	-
Revenue from the rendering of services	272,759,822	195,632,935	-	-
Proceeds from sale of apartments (recognised on percentage of completion basis)	744,815,822	1,052,753,925	-	-
Management fee income	4,168,218	2,844,167	-	-
Rental income	49,067,490	66,340,830	20,362,075	34,165,235
Proceeds from sale of land and building	76,881,705	19,020,000	276,614,300	19,020,000
Rs.	1,310,828,922	1,470,153,597	296,976,375	53,185,235
Disclosed as follows:				
-Continuing operations	1,300,451,987	1,445,923,662	292,929,116	36,462,568
-Discontinued operations	10,376,935	24,229,935	4,047,259	16,722,667
Rs.	1,310,828,922	1,470,153,597	296,976,375	53,185,235

19. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Depreciation	46,025,941	47,007,410	1,354,673	1,504,042
Amortisation	4,625,419	4,642,445	384,888	371,705
Bad debts written off	590,799	1,178,253	-	-
Assets written off	-	27,106	-	27,106
Provision for impairment of receivables	3,246,448	3,631,945	26,473,373	5,012
Employee benefit expense (note 23(a))	231,342,722	221,106,112	67,148,792	73,218,214
Advertising costs	3,197,264	13,122,605	-	-
Business administration and professional fees	29,410,558	40,861,792	16,037,872	15,922,533
Security expenses	6,901,643	9,761,568	360,355	1,452,221
Syndic levies and snagging costs	6,837,334	18,817,367	673,530	669,240
Recharge of utilities	16,751,633	23,379,020	3,512,886	9,311,179
Cost of land and building disposed of	290,445,015	16,753,917	290,445,015	16,753,917
Repairs and maintenance	32,801,385	24,537,727	1,015,590	2,589,944
Changes in inventories of finished goods	(16,749,210)	133,258,703	-	-
Consumables and operating equipment	49,826,193	39,733,921	-	-
Cost of sales (recognised on percentage completion basis)	440,646,814	836,656,220	-	-
Rental expense paid to villas owners	23,542,560	62,099,194	-	-
Other expenses	165,504,748	159,597,838	10,166,604	17,985,643
Total cost of sales, selling and marketing, administrative and other operating expenses	1,334,947,266	1,656,173,143	417,573,578	139,810,756
Rs.	1,334,947,266	1,656,173,143	417,573,578	139,810,756
Disclosed as follows:				
-Continuing operations	1,328,746,151	1,639,976,238	412,895,137	125,521,851
-Discontinued operations	6,201,115	16,196,905	4,678,441	14,288,905
Rs.	1,334,947,266	1,656,173,143	417,573,578	139,810,756

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

20. OTHER INCOME

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Accounting fees	2,963,126	869,665	2,963,126	2,831,665
Service fee income from tenants	1,983,844	13,748,491	4,767,723	13,748,491
Syndicates fee income	3,333,324	5,031,107	-	-
Interest income	839,512	7,223,546	6,802,599	4,869,221
Miscellaneous other income	14,539,726	19,300,761	21,474,802	20,229,450
Rs.	23,659,532	46,173,570	36,008,250	41,678,827
Disclosed as follows:				
-Continuing operations	18,180,179	32,425,079	31,239,972	27,930,336
-Discontinued operations	5,479,353	13,748,491	4,768,278	13,748,491
Rs.	23,659,532	46,173,570	36,008,250	41,678,827

21. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Interest expense:				
- Bank overdrafts	29,034,861	34,175,063	15,934,062	18,611,514
- Bank and other loans	79,556,365	117,215,979	2,172,558	9,232,277
- Short term loans	17,318,536	18,164,000	17,318,536	16,385,844
- Loan from related parties	9,573,901	10,245,484	9,573,901	10,245,484
- Finance leases	29,133,167	209,338	1,073	-
	164,616,830	180,009,864	45,000,130	54,475,119
Net foreign exchange financing gains on financing activities	(528,605)	(2,728,274)	2,902	17,866
Rs.	164,088,225	177,281,590	45,003,032	54,492,985
Disclosed as follows:				
-Continuing operations	161,915,667	168,221,648	42,830,474	45,433,043
-Discontinued operations	2,172,558	9,059,942	2,172,558	9,059,942
Rs.	164,088,225	177,281,590	45,003,032	54,492,985

22. NET FOREIGN EXCHANGE GAINS/(LOSSES)

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
The exchange differences credited/(charged) to the profit or loss included as follows:				
Other gains and losses - net (note 26)	(402,421)	3,805,532	-	-
Finance costs (note 21)	(528,605)	(2,728,274)	2,902	17,866
Rs.	(931,026)	1,077,258	2,902	17,866
Disclosed as follows:				
-Continuing operations	(931,026)	1,077,258	2,902	17,866
-Discontinued operations	-	-	-	-
Rs.	(931,026)	1,077,258	2,902	17,866

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

23. LOSS BEFORE TAXATION

Loss before taxation is arrived at after:
and (charging):

Depreciation of property, plant and equipment
- owned assets
- leased assets under finance lease
Amortisation of intangible assets
Impairment charges
Write offs:
- Non-current receivables written off
- Property, plant and equipment
- Intangible assets
- Bad debts written off
Employee benefit expense (note 23(a))

THE GROUP		THE COMPANY	
2017	2016	2017	2016
Rs.	Rs.	Rs.	Rs.
44,765,200	45,354,196	1,341,756	1,504,042
1,260,741	1,653,214	12,917	-
4,625,419	4,642,445	384,888	371,705
61,875,957	244,169,260	35,672,685	156,340,366
-	15,554,316	-	-
-	102,618	-	21,920
-	27,106	-	27,106
590,799	2,728,253	-	-
231,342,722	221,106,112	67,148,792	73,218,214

(a) Employee benefit expense

Wages and salaries, including termination benefits
Social security costs
Pension costs - defined contribution plans
Other post-retirement benefits (note 13)

THE GROUP		THE COMPANY	
2017	2016	2017	2016
Rs.	Rs.	Rs.	Rs.
216,132,917	206,633,386	61,997,848	66,712,978
10,744,595	9,540,231	1,058,476	1,389,054
3,515,504	4,396,079	3,515,504	4,285,310
949,706	536,416	576,964	830,872
231,342,722	221,106,112	67,148,792	73,218,214
231,342,722	221,106,112	67,148,792	73,218,214
-	-	-	-
231,342,722	221,106,112	67,148,792	73,218,214

Disclosed as follows:

-Continuing operations
-Discontinued operations

24. IMPAIRMENT CHARGES

Impairment charges on:
Investment in subsidiary (note 10)
Impairment of intangible assets
Non-current assets held for sale (note 11)

THE GROUP		THE COMPANY	
2017	2016	2017	2016
Rs.	Rs.	Rs.	Rs.
-	-	14,105,916	76,947,506
61,875,957	176,441,128	21,566,769	11,664,728
-	67,728,132	-	67,728,132
61,875,957	244,169,260	35,672,685	156,340,366
61,875,957	207,764,260	35,672,685	119,935,366
-	36,405,000	-	36,405,000
61,875,957	244,169,260	35,672,685	156,340,366

Disclosed as follows:

-Continuing operations
-Discontinued operations

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

25. INCOME TAX EXPENSE

(a) Statements of financial position

At January 1,
Current tax on the adjusted result for the year at 15% (2016: 15%)

At December 31,

THE GROUP		THE COMPANY	
2017	2016	2017	2016
Rs.	Rs.	Rs.	Rs.
-	-	-	-
9,054,353	-	-	-
9,054,353	-	-	-

(b) Statement of profit or loss

Current tax on the adjusted result for the year at 15% (2016: 15%)

Deferred tax (note 16(b))

Income tax charge/(credit)

THE GROUP		THE COMPANY	
2017	2016	2017	2016
Rs.	Rs.	Rs.	Rs.
9,054,353	-	-	-
(18,548,058)	10,024,576	(11,152,989)	466,614
(9,493,705)	10,024,576	(11,152,989)	466,614

(c) The tax on the Group and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

Loss before taxation from continuing activities
(Loss)/profit before taxation from discontinued activities

Tax calculated at the rate of 15%
(2016: 15%)

Expenses not deductible for tax purposes

Income not subject to tax

Underprovision of deferred tax in previous year

Deferred tax assets previously not recognised

Utilisation of previous years' tax losses

Tax losses for which no deferred tax was recognised

Other adjustments

Deferred tax not recognised on fair value of investment property

Tax losses lapsed

Consolidation adjustments

Income tax (credit)/charge

THE GROUP		THE COMPANY	
2017	2016	2017	2016
Rs.	Rs.	Rs.	Rs.
(276,603,626)	(596,929,389)	(173,248,527)	(230,164,220)
(17,507,335)	(39,257,349)	1,964,538	(29,282,689)
(294,110,961)	(636,186,738)	(171,283,989)	(259,446,909)
(44,116,644)	(95,428,011)	(25,692,598)	(38,917,036)
25,891,005	11,297,201	10,141,334	13,536,177
(2,060,581)	(35,594)	(240,552)	-
(220,755)	-	-	-
(1,321,000)	-	-	-
-	(206,578)	-	-
14,895,718	50,609,210	4,679,155	16,002,222
(943,225)	357,507	(943,225)	(6,218)
2,191,297	9,851,469	902,898	9,851,469
3,005,475	-	-	-
(6,814,995)	33,579,372	-	-
(9,493,705)	10,024,576	(11,152,988)	466,614
1,101,275	9,524,154	(558,003)	(33,809)
(10,594,980)	500,422	(10,594,986)	500,423
(9,493,705)	10,024,576	(11,152,989)	466,614

Disclosed as follows:

-Continuing operations

-Discontinued operations

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

26. OTHER GAINS AND LOSSES - NET

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Net foreign exchange gains	(402,421)	3,805,532	-	-
Disclosed as follows:				
-Continuing operations	(402,421)	3,805,532	-	-
-Discontinued operations	-	-	-	-
	(402,421)	3,805,532	-	-

27. OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Actuarial reserves				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligations	2,453,204	(2,955,185)	2,871,066	(480,515)
Deferred tax relating to remeasurement of defined benefit obligations	(367,978)	443,278	(430,659)	72,077
	2,085,226	(2,511,907)	2,440,407	(408,438)

Actuarial losses

The actuarial losses reserve represents the cumulative remeasurement of defined benefit obligation recognised.

28. LOSS PER SHARE

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
From continuing operations				
<u>Basic loss per share</u>				
Loss attributable to equity holders of the Company from continuing operations and discontinued operations	(254,257,081)	(575,941,505)	(160,131,000)	(259,913,523)
Loss attributable to equity holders of the Company from continuing operations	(247,344,732)	(536,183,734)	(172,690,524)	(230,130,411)
Number of ordinary shares in issue	425,342,317	425,342,317	425,342,317	425,342,317
<i>Basic loss per share from:</i>				
Continuing and discontinued operations	(0.598)	(1.354)	(0.376)	(0.611)
Continuing operations	(0.582)	(1.261)	(0.406)	(0.541)

Basic loss per share is calculated by dividing loss for the year attributable to ordinary equity owners of the Company by the number of shares in issue excluding treasury shares. After the reporting period, 229,599,782 ordinary shares have been issued for cash; however, the loss per share amount was not adjusted for such transaction occurring after the reporting period because such transactions do not affect the amount of capital used to produce profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

29. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
(a) Cash generated from operations				
Loss before taxation from continuing operations	(276,603,626)	(596,929,389)	(173,248,527)	(230,164,220)
Profit/(loss) before taxation from discontinued operations	(17,507,335)	(39,257,349)	1,964,538	(29,282,689)
Adjustments for:				
Depreciation	46,025,941	47,007,410	1,354,673	1,504,042
Amortisation of intangible assets	4,625,419	4,642,445	384,888	371,705
Impairment charges	61,875,957	244,169,260	35,672,685	156,340,366
Receivables written off	590,799	2,728,253	-	-
Write of non-current receivables	-	15,554,316	-	-
Assets written off	-	129,724	-	49,026
Loss on disposal of property, plant and equipment	397,720	-	-	-
Profit/(loss) on disposal of assets classified as held for sale	13,830,715	(3,166,083)	13,830,715	(3,166,083)
Net decrease in fair value of investment properties	67,285,541	78,695,444	6,019,319	3,666,864
Provision for impairment of trade and other receivables	3,246,448	3,631,945	26,473,372	5,012
Exchange losses/(gains)	830,419	(3,334,325)	2,902	17,866
Interest income	(839,512)	(7,223,546)	(6,802,600)	(4,869,221)
Interest expense	164,616,830	180,009,864	45,000,130	54,475,119
Retirement benefit obligations	2,400,425	(399,338)	2,027,683	(104,882)
	70,775,741	(73,741,369)	(47,320,222)	(51,157,095)
Changes in working capital:				
- Inventories	16,749,210	125,035,435	-	-
- Trade and other receivables	(139,962,627)	23,088,261	(79,755,511)	71,222,064
- Trade and other payables	(102,677,759)	134,526,522	(2,481,748)	2,181,539
- Land and related development costs	109,614,146	97,257,544	-	-
Cash (absorbed in)/ generated from operations	(45,501,289)	306,166,393	(129,557,481)	22,246,508

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Cash in hand and at bank	89,101,154	158,810,968	1,410,239	63,425

Cash and cash equivalents and bank overdrafts include the following for the purpose of the statements of cash flows.

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents	89,101,154	158,810,968	1,410,239	63,425
Bank overdrafts	(443,258,914)	(403,205,310)	(271,798,444)	(255,488,702)
	(354,157,760)	(244,394,342)	(270,388,205)	(255,425,277)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

29. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(c) Reconciliation of liabilities arising from financing activities

The Group

	2016	Cash flows	Non-cash change	2017
	Rs.	Rs.	Rs.	Rs.
Borrowings	1,682,532,032	(132,607,740)	2,427,946	1,552,352,238
Lease liabilities	2,347,659	(1,819,285)	4,242,473	4,770,847
Total liabilities from financing activities	1,684,879,691	(134,427,025)	6,670,419	1,557,123,085

The Company

	2016	Cash flows	Non-cash change	2017
	Rs.	Rs.	Rs.	Rs.
Borrowings	404,428,741	(116,345,408)	-	288,083,333
Lease liabilities	-	-	403,000	403,000
Total liabilities from financing activities	404,428,741	(116,345,408)	403,000	288,486,333

30. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Property, plant and equipment	-	2,550,000	-	-
Land and related development costs	91,964,345	284,419,607	-	-
Investment property	3,001,814	-	3,001,814	-
Rs.	94,966,159	286,969,607	3,001,814	-

(b) Operating lease commitments - Group as lessee

The Group has entered into operating lease commitments for some of its motor vehicles and leasehold rights on its land. The leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals payable under non-cancellable operating leases at the end of the reporting date are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Within one year	2,649,116	2,763,172	1,900,080	1,900,080
After one year but not more than five years	9,604,200	10,030,180	1,900,080	3,800,160
Over five years	91,670,208	90,525,932	-	-
Rs.	103,923,524	103,319,284	3,800,160	5,700,240

(c) Operating lease commitments - Group as lessor

The Group has also entered into commercial property leases with respect to its investment property portfolio. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting date are as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Within one year	43,673,514	47,873,959	15,167,071	20,332,506
After one year but not more than five years	90,348,586	83,163,349	26,305,260	24,970,477
Rs.	134,022,100	131,037,308	41,472,331	45,302,983

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

30. COMMITMENTS AND CONTINGENCIES (CONT'D)

(c) Operating lease commitments - Group as lessor (cont'd)

(d) Contingencies

At December 31, 2017, except as disclosed below, the Group had no contingent liabilities in respect of bank guarantees, legal claims and other matters arising in the ordinary course of business for which it is anticipated that material liabilities would arise.

One of the subsidiaries of the Group, Haute Rive Ocean Front Living Ltd ("HROFL"), terminated its agreement with its building contractor for the Azuri Phase II development following breaches of the agreement by the building contractor. HROFL has a claim of Rs. 129.5m, as determined by the Project Manager, against the contractor. As of date of authorisation of the financial statements, the outcome of these cases is not known.

The Group had no other contingent liabilities as at December 31, 2017 except as disclosed above.

(e) Guarantees

The Company has provided corporate guarantee for one of its subsidiaries for an amount of Rs.324.5m. The company, as guarantor, has the obligation to fund any shortfall in the cash flows of the subsidiary through additional capital, either in the form of equity or loan or by any other subsidiary of the main shareholders of the Company

31. NON-CURRENT RECEIVABLES

At January 1,
Write offs during the year
Additions
At December 31,

THE GROUP	
2017	2016
Rs.	Rs.
1,000,000	16,554,316
-	(15,554,316)
320,000	-
Rs. 1,320,000	1,000,000

At January 1,
Loan granted during the year
At December 31,

THE COMPANY	
2017	2016
Rs.	Rs.
-	-
36,122,387	-
Rs. 36,122,387	-

The carrying amount of non current receivables approximate their fair values. Non current receivables are denominated in Mauritian rupees and are neither past due nor impaired.

32. EVENTS AFTER THE REPORTING PERIOD

Disposal of 4th Floor and 9 parking lots of Harbour Front Building

In board minutes dated November 09, 2017, the board of directors approved the sale of the 4th Floor and 9 parking lots of Harbour Front Building for a consideration of Rs. 62m. The deed of sale will be executed on 4th April 2018.

Disposal of Circle Square Holding Ltd

On 30th March 2018 the board of directors have approved the signature of a Share Purchase Agreement, with the intention of disposing of 100% of its shares in Circle Square Holding Co Ltd ('CSHCL'), which owns plot of land of 108,094 square metres in Forbach on which the Circle Square Retail Park is built, for a total consideration of Rs 366m, representing the gross consideration of Rs 655m net of the secured debt of CSHL.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

32. EVENTS AFTER THE REPORTING PERIOD (CONT'D)

Change in shareholding

On January 26, 2018, Bluelife Limited (BLL) opened the Rights Issue pursuant to which IBL Ltd subscribed to 19,418,944 rights. On February 23, 2018, following the closing of the said Rights Issue, the Directors of BLL approved the allotment of 170,425,671 unsubscribed shares to IBL Ltd. As a result of the allotment, IBL Ltd now holds 225,818,948 ordinary shares of BLL representing 34.48% of the share capital and of voting rights in BLL.

There are no other events after the reporting period, except for those disclosed above, which the Directors consider may materially affect the financial statements for the year ended December 31, 2017.

33. SEGMENTAL INFORMATION - THE GROUP

BlueLife Limited's reportable segments namely land development, property, hotel and service are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Most of the businesses were acquired as individual units, and the management at the time of the acquisition was retained.

The Group has four reportable segments : Land development, Yielding property, Hotel and Service.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Performance is evaluated on the basis of profit or loss from operations before tax expense. Intersegment sales and transfers are accounted for as if the sales or transfers were to third parties, that is, at current market prices.

	Land	Yielding	Hotel	Service	Total
	Development	Property			
December 31, 2017	Rs.	Rs.	Rs.	Rs.	Rs.
Total segment revenues	821,455,289	51,390,307	415,948,604	27,648,404	1,316,442,604
Inter-segment revenues	-	12,882,575	2,888,043	220,000	15,990,617
Revenues from external customer	821,455,289	38,507,732	413,060,561	27,428,404	1,300,451,987
Loss before finance costs	(115,969,396)	27,865,757	16,726,673	(43,310,993)	(114,687,959)
Finance costs	(64,090,148)	(28,966,338)	(68,835,517)	(23,664)	(161,915,667)
Loss before taxation	(180,059,544)	(1,100,581)	(52,108,844)	(43,334,657)	(276,603,626)
Income tax (charge)/credit	(6,686,152)	922,976	4,454,261	207,640	(1,101,275)
Loss from discontinued operations	-	(6,912,349)	-	-	(6,912,349)
Loss for the year	(186,745,696)	(7,089,954)	(47,654,583)	(43,127,017)	(284,617,250)
Interest revenue	839,512	-	-	-	839,512
Interest expense	(66,259,811)	(28,966,338)	(69,367,017)	(23,664)	(164,616,830)
Material items of income:					
Service fee income from tenants	1,983,844	-	-	-	1,983,844
Syndicates fee income	-	-	-	3,333,324	3,333,324
December 31, 2017	Land	Yielding	Hotel	Service	Total
	Development	Property			
	Rs.	Rs.	Rs.	Rs.	Rs.
Additions to non-current assets	4,171,077	4,728,053	5,761,911	340,974	15,002,015
Depreciation and amortisation	7,199,613	49,342	42,928,339	474,066	50,651,360
Segment assets	2,395,553,040	778,427,892	1,339,032,963	7,750,223	4,520,764,118
Segment liabilities	1,161,900,759	392,338,220	916,987,743	7,852,970	2,479,079,692

The Group' four business segments are managed and operated in Mauritius.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

33. SEGMENTAL INFORMATION - THE GROUP (CONT'D)

	Land	Yielding	Hotel	Service	Total
	Development	Property			
December 31, 2016	Rs.	Rs.	Rs.	Rs.	Rs.
Total segment revenues	1,071,773,925	53,922,961	320,413,725	54,783,902	1,500,894,513
Inter-segment revenues	-	(11,812,066)	(1,761,415)	(41,397,370)	(54,970,851)
Revenues from external customers	1,071,773,925	42,110,895	318,652,310	13,386,532	1,445,923,662
Loss before finance costs	(267,132,937)	(13,958,117)	(60,043,537)	(87,573,150)	(428,707,741)
Finance costs	(69,865,714)	(28,758,224)	(69,501,676)	(96,034)	(168,221,648)
Loss before taxation	(336,998,651)	(42,716,341)	(129,545,213)	(87,669,184)	(596,929,389)
Income tax (charge)/credit	(19,264,518)	6,062,158	3,564,748	113,458	(9,524,154)
Loss from discontinued operations	-	(39,757,771)	-	-	(39,757,771)
Loss for the year	(356,263,169)	(76,411,954)	(125,980,465)	(87,555,726)	(646,211,314)
Interest revenue	7,223,257	289	-	-	7,223,546
Interest expense	(67,377,750)	(28,758,224)	(83,777,865)	(96,025)	(180,009,864)
Material items of income:					
Service fee income from tenants	13,748,491	-	-	-	13,748,491
Syndicates fee income	-	-	-	5,031,107	5,031,107
Material items of expense:					
Impairment of non-current asset held for sale	67728132	-	-	-	67,728,132
Write of non-current receivables	15554316	-	-	-	15,554,316
Additions to non-current assets	5,899,656	-	4,490,514	507,416	10,897,586
Depreciation and amortisation	7,524,063	422,009	43,312,852	390,931	51,649,855
Segment assets	2,640,866,738	1,045,454,265	1,320,359,019	7,375,094	5,014,055,116
Segment liabilities	Rs. 1,249,838,850	508,831,768	910,596,567	20,571,481	2,689,838,666

The Group' four business segments are managed and operated in Mauritius.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

34. RELATED PARTY TRANSACTIONS

(a) THE GROUP	Bank overdraft		Consultancy fees		Purchases of goods or services		Sale of goods or services		Interest (expense)/ income		Dividend income		Management fee income		Loan from		Amount owed to related parties		Amount owed by related parties		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
(i) <u>December 31, 2017</u> Main shareholders Directors and close family members	-	-	-	-	-	-	-	-	(9,573,901)	-	-	-	-	-	113,083,333	15,289,603	532,343				
(ii) <u>December 31, 2016</u> Main shareholders Directors and close family members	-	-	1,313,423	340,477	(10,245,484)	-	-	-	-	-	-	-	-	113,084,434	5,187,920	277,163					
(b) THE COMPANY																					
(i) <u>December 31, 2017</u> Main shareholders Directors Subsidiaries	-	-	3,211,837	2,783,879	6,802,551	-	-	-	-	-	-	-	-	113,083,333	15,289,603	2,150,000	339,448,530				
(ii) <u>December 31, 2016</u> Main shareholders Directors Subsidiaries	-	-	1,313,423	-	(10,245,484)	-	-	-	-	-	-	-	-	113,084,434	5,187,921	1,690,000	254,757,277				

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

34. RELATED PARTY TRANSACTIONS (CONT'D)

- (c) The sales to and purchases from related parties are made in the normal course of business. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables.

For the period ended December 31, 2017, the Company has recorded an impairment of receivables of Rs. 26,639,669 (2016: Rs. Nil) relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operate.

- (d) **Chairman Support Agreement**

During the year ended December 31, 2017, an enterprise with common directors, the service provider, has entered into a chairman support agreement with the Company for the provision of consultancy, advisory and support services to the chairman and Directors of BlueLife Limited. An annual flat fee of Rs.2m shall be paid for the services provided by the service provider.

- (e) **Directors and key management personnel compensation**

Director fees
Salaries and short term employee benefits
Post employment benefits

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Director fees	2,425,000	2,490,000	1,775,000	1,690,000
Salaries and short term employee benefits	13,421,887	11,589,785	13,421,887	11,589,785
Post employment benefits	867,545	810,033	867,545	810,033
Rs.	16,714,432	14,889,818	16,064,432	14,089,818

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

35. FINANCIAL SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES

	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
	Rs.	Rs.	Rs.
(a) THE GROUP			
Statements of profit or loss and other comprehensive income			
Continuing operations			
Revenue	1,300,451,987	1,445,923,662	1,035,251,579
Share of results of associate	-	-	(1,823,048)
Loss before taxation	(276,603,626)	(596,929,389)	(510,305,692)
Income tax (charge)/ credit	(1,101,275)	(9,524,154)	26,024,478
Loss for the year from continuing operations	(277,704,901)	(606,453,543)	(484,281,214)
Discontinued operations			
Post tax profit/(loss) from discontinued operations	(6,912,349)	(39,757,771)	-
Profit/(loss) for the year	(284,617,250)	(646,211,314)	(484,281,214)
Other comprehensive income for the year, net of tax	2,085,226	(2,511,907)	(201,707)
Total comprehensive income for the year	(282,532,024)	(648,723,221)	(484,482,921)
Loss attributable to:			
- Owners of the parent	(254,257,081)	(575,941,505)	(415,797,623)
- Non-controlling interests	(30,360,169)	(70,269,809)	(68,483,591)
	(284,617,250)	(646,211,314)	(484,281,214)
Total comprehensive income attributable to:			
- Owners of the parent	(252,249,116)	(577,648,506)	(415,999,330)
- Non-controlling interests	(30,282,908)	(71,074,715)	(68,483,591)
	(282,532,024)	(648,723,221)	(484,482,921)
Loss per share (Rs/cs)			
-From continuing and discontinued operations	(0.598)	(1.354)	(0.978)
-From continuing operations	(0.582)	(1.261)	(0.978)
	2017	2016	2015
	Rs.	Rs.	Rs.
Statements of financial position			
ASSETS			
Non current assets	3,901,378,376	4,143,030,540	4,980,366,160
Current assets	557,385,742	594,410,276	669,637,470
Non-current assets classified as held for sale	62,000,000	276,614,300	29,199,165
Total assets	4,520,764,118	5,014,055,116	5,679,202,795
EQUITY AND LIABILITIES			
Capital and reserves	2,041,712,033	2,293,806,627	2,871,455,133
Non-controlling interests	(27,607)	30,409,823	101,484,538
Total equity	2,041,684,426	2,324,216,450	2,972,939,671
LIABILITIES			
Non current liabilities	494,512,233	683,120,036	1,362,763,310
Current liabilities	1,984,567,459	2,006,718,630	1,343,499,814
Total liabilities	2,479,079,692	2,689,838,666	2,706,263,124
Total equity and liabilities	4,520,764,118	5,014,055,116	5,679,202,795

SHAREHOLDER'S CORNER

Meeting procedures

Q Who can attend the Annual Meeting?

A In compliance with Section 120(3) of the Companies Act 2001, the Board has resolved that a person registered in the share register of BlueLife Limited as at May 30, 2018 is entitled to attend the meeting.

Q Who can vote at the Annual Meeting?

A If you are registered in the share register of BlueLife Limited as at May 30, 2018 you have the right to vote at the meeting.

Q How many votes does a shareholder have?

A Every shareholder, present in person or by proxy, shall have one vote on a show of hands. Where a poll is taken, each shareholder shall have the number of votes that corresponds to the number of shares held by him/her in the Company.

Q How many shareholders do you need to reach a quorum?

A A quorum is reached where two (2) shareholders holding at least thirty five percent (35%) of the share capital of the Company are present or represented.

Q Where can I have access to the minutes of proceedings of the last Annual Meeting of the Company?

A Minutes of proceedings of the last Annual Meeting are normally made available for inspection within a given period of time. Please contact the Company Secretary, 4th Floor, IBL House, Caudan Waterfront, Port Louis.

Voting procedures

Q What is the voting procedure?

A You do not need to complete or return your proxy form if you intend to vote in person at the Annual Meeting. At the registration desk, you will be requested to present your National ID Card or any other alternative proof of identity. However, if a poll is demanded for a particular resolution, then ballot papers shall be distributed and shareholders will be requested to cast their votes thereon.

Q What if I cannot attend the Annual Meeting and how do I appoint a proxy and vote in my place?

A The Chairman of the meeting has been named, de facto, in the proxy form to represent shareholders at the meeting. However, a person of your choice can represent you at the meeting. To that effect, the proxy form has to be completed by inserting the person's name. Your representative has then the right to vote.

Q Is there a deadline for submitting my proxy form?

A Yes. Your proxy form must be received by the Company's Share Registry and Transfer Office, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebène, no later than 24 hours prior the date fixed for the Annual Meeting.

Q How are votes cast if a proxy form is sent?

A By completing and returning a proxy form, you are authorising the person named in the proxy to attend the Annual Meeting and vote on each item of business according to your instructions. If you have appointed the Chairman of the meeting as your proxy and you do not provide him with instructions, he will exercise his discretion as to how he votes.

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of the Shareholders of the Company will be held at Crépuscule Radisson Blu Azuri Resort & Spa, Azuri Village, Haute Rive, Rivière Du Rempart, on Friday, June 22, 2018 at 15.00 hours to transact the following business:

AGENDA

- To consider the Annual Report for the year ended December 31, 2017.
- To receive the report of Messrs. BDO & Co, the Auditors, on the audited financial statements of BlueLife Limited, for the year ended December 31, 2017.
- To consider and adopt the Group's and Company's audited financial statements of BlueLife Limited for the year ended December 31, 2017.

Ordinary Resolution

"Resolved that the audited financial statements of BlueLife Limited for the year ended December 31, 2017 be hereby approved."

- To elect as Director of the Company, Mrs. Isabelle de Gaalon Decailot, who has been nominated by the Board and who offers herself for election.

Ordinary Resolution

"Resolved that Mrs. Isabelle de Gaalon Decailot be and is hereby elected as Director of BlueLife Limited."

- To elect as Director of the Company, Mr. Jan Boullé, who has been nominated by the Board and who offers himself for election.

Ordinary Resolution

"Resolved that Mr. Jan Boullé be and is hereby elected as Director of BlueLife Limited."

- To elect as Director of the Company, Mr. Benoit Lagesse, who has been nominated by the Board and who offers himself for election.

Ordinary Resolution

"Resolved that Mr. Benoit Lagesse be and is hereby elected as Director of BlueLife Limited."

NOTES:

- A Shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- The instrument appointing a proxy or any general power of attorney shall be deposited at the Company's Share Registry and Transfer Office, Abax Corporate Administrators Ltd, 6th Floor, Tower A, 1 CyberCity, Ebène not less than twenty four hours before the time appointed for the holding of the meeting or adjourned meeting at which the person named on such instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid.
- For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the Shareholders who are entitled to receive notice of the meeting shall be those Shareholders whose names are registered in the share register of the Company as at May 30, 2018.
- The minutes of the Annual Meeting to be held on June 22, 2018 will be available for consultation during office hours at the Registered Office of the Company, IBL House, Caudan Waterfront, Port Louis from 3 September to 13 September 2018.

- To elect as Director of the Company, Mr. Ravi Prakash Hardin, who has been nominated by the Board and who offers himself for election.

Ordinary Resolution

"Resolved that Mr. Ravi Prakash Hardin be and is hereby elected as Director of BlueLife Limited."

- To elect as Director of the Company, Mr. Jean-Luc Wilain, who has been nominated by the Board and who offers himself for election.

Ordinary Resolution

"Resolved that Mr. Jean-Luc Wilain be and is hereby elected as Director of BlueLife Limited."

- To fix the remuneration of the Directors of BlueLife Limited for the period ending June 30, 2018 and to ratify the fees paid to the Directors for the year ended December 31, 2017.

Ordinary Resolution

"Resolved that the remuneration of the Directors of BlueLife Limited for the period ending June 30, 2018 be fixed and the fees paid to the Directors for the year ended December 31, 2017 be hereby ratified."

- To take note of the reappointment of the Auditors under Section 200 of the Companies Act 2001 and to authorise the Board of BlueLife Limited to fix their remuneration.

Ordinary Resolution

"Resolved that the Board of BlueLife Limited be and is hereby authorised to fix the remuneration of the Auditors."

- To ratify the remuneration paid to the Auditors for the year ended December 31, 2017.

By order of the Board



Doris Dardanne, FCIS
Per IBL Management Ltd
Company Secretary

May 30, 2018

PROXY FORM

I/We, _____
of _____, being a shareholder/shareholders
of BlueLife Limited, do hereby appoint _____
of _____ failing him/her _____
of _____ failing him/her, the Chairman, as
my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held on Friday, June 22, 2018 at
15.00 hours and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

	FOR	AGAINST	ABSTAIN
1. To consider the Annual Report for the year ended December 31, 2017.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To receive the report of Messrs BDO & Co, the Auditors, on the audited financial statements of BlueLife Limited, for the year ended December 31, 2017.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To consider and adopt the Group's and Company's audited financial statements of BlueLife Limited for the year ended December 31, 2017.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To elect as Director of the Company, Mrs. Isabelle de Gaalon Decailot, who has been nominated by the Board and who offers herself for election.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To elect as Director of the Company, Mr. Jan Boullé, who has been nominated by the Board and who offers himself for election.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To elect as Director of the Company, Mr. Benoit Lagesse, who has been nominated by the Board and who offers himself for election.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To elect as Director of the Company, Mr. Ravi Prakash Hardin, who has been nominated by the Board and who offers himself for election.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To elect as Director of the Company, Mr. Jean-Luc Wilain, who has been nominated by the Board and who offers himself for election.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To fix the remuneration of the Directors of BlueLife Limited for the period ending June 30, 2018 and to ratify the fees paid to the Directors for the year ended December 31, 2017.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. To take note of the reappointment of the Auditors under Section 200 of the Companies Act 2001 and to authorise the Board of BlueLife Limited to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. To ratify the remuneration paid to the Auditors for the year ended December 31, 2017.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this _____ day of _____ 2018.

Signature(s)

As part of its ongoing programme to help protect the environment, BlueLife Limited has chosen to use Lenza Green paper for its Annual Reports.

Lenza Green paper is made from 100% recycled pulp, certified FSC(Forest Stewardship Council).

FSC is an international, non-governmental, non-profit making organisation created in 1993.

It encourages socially, ecologically and economically responsible forestry management initiatives.

Detailed Environmental Profile

Fibre source:	40 / 40
Fossil CO2 emissions from manufacturing:	18 / 20
Waste to landfill:	10 / 10
Water pollution from bleaching:	10 / 10
Organic water pollution:	9 / 10
Environmental management systems:	10 / 10

